

Royals Management Contract

1-19-1990

MANAGEMENT CONTRACT

THIS MANAGEMENT CONTRACT (this "Contract") is made and entered into as of the 19th day of January, 1990, by and between the JACKSON COUNTY SPORTS COMPLEX AUTHORITY, a body corporate and politic and a political subdivision of the State of Missouri (hereinafter referred to as the "Authority"), and the KANSAS CITY ROYALS BASEBALL CORPORATION, a Missouri corporation (hereinafter referred to as the "Manager").

WITNESSETH:

WHEREAS, Jackson County, Missouri (hereinafter referred to as the "County") is the owner of that certain real property located in Kansas City, Jackson County, Missouri, legally described as set forth in Exhibit A attached to and made a part hereof, upon which it has constructed a sports complex known as the Harry S. Truman Sports Complex (hereinafter referred to as the "Sports Complex") consisting of: (a) a baseball stadium, known as Royals Stadium, having a seating capacity for approximately 42,000 persons (hereinafter referred to as the "Baseball Stadium") and its immediate environs; (b) a football stadium, known as Arrowhead Stadium, having a seating capacity for approximately 78,000 persons (hereinafter referred to as the "Football Stadium") and its immediate environs together with certain football practice fields related thereto; (c) an unenclosed stadium plaza exhibition and parking area located between the two stadiums (hereinafter referred to as the "Stadium Plaza"); (d) a central food and employee service facility beneath the Stadium Plaza (hereinafter referred to as the "Central Service Facility"); and (e) parking facilities for approximately 17,800 cars, access and circulation roadways and surrounding grounds; and

WHEREAS, by Agreement dated as of October 31, 1970, as amended by Amendment to Agreement dated as of March 17, 1987, between the County and the Authority (hereinafter collectively referred to as the "County Agreement"), the County has leased the Sports Complex to the Authority and has granted to the Authority the right to sublease the Sports Complex; and

WHEREAS, by that certain Lease Agreement between the Authority, as landlord, and the Manager, as tenant, dated of even date herewith (hereinafter referred to as the "Lease"), the Authority has subleased to Manager the "leased premises" therein described; and

WHEREAS, by that certain Lease Agreement between the Authority, as landlord, and the Kansas City Chiefs Football Club,

Inc. (hereinafter referred to as the "Co-Manager"), as tenant, dated of even date herewith (hereinafter referred to as the "Co-Manager's Lease"), the Authority has subleased to the Co-Manager the "leased premises" therein described; and

WHEREAS, by that certain Management Contract between the Authority and the Co-Manager, dated of even date herewith (hereinafter referred to as the "Co-Manager's Contract"), the Authority has contracted with the Co-Manager for the operation and management of specific portions of the Sports Complex as therein described; and

WHEREAS, the Authority and the Manager each desire that Manager operate and manage those specific portions of the Sports Complex hereinafter described and co-manage and jointly operate certain other specified portions of the Sports Complex with the Co-Manager, all on the terms and conditions hereinafter set forth;

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Appointment of Manager. For the term, as it may be extended, and subject to the provisions of this Contract, the Authority hereby appoints and retains the Manager as its sole and exclusive management agent of those specific portions of the Sports Complex identified below and jointly as Co-Manager with the Co-Manager of certain other specified portions of the Sports Complex as set forth below.

2. Term.

(A) Unless sooner terminated as hereinafter provided, the term of this Contract (hereinafter referred to as the "Initial Term") shall be for a period of twenty-five (25) years commencing on the date and time of this Contract, and ending on January 31, 2015. The term "Contract Year" wherever used in this Contract shall mean the twelve (12) calendar months commencing on February 1st and ending on the next succeeding January 31st except for the first Contract Year which shall be from the date hereof through January 31, 1991.

(B) (i) If during the Initial Term there has been a suspension of performance as contemplated by the provisions of paragraph 6 (Force Majeure), then the Initial Term shall be extended for an additional period equal to the sum of such periods of suspension as have occurred during the Initial Term. Any such extension shall be on the same terms and conditions as those set forth in this Contract for the Initial Term.

(ii) If at the date of termination of the Initial Term there shall exist a suspension of this Contract pursuant to the provisions of paragraph 6 (Force Majeure) which began

prior to said date of termination, then the extension granted pursuant to (B) (i) above shall begin on the date of the end of such period of suspension and not on the date of termination of the unextended Initial Term.

(C) In the event of any extension of this Contract for any period other than a complete Contract Year or Contract Years, this Contract shall be further extended to the January 31st next following the end of such extension so that this Contract shall end at the close of a complete Contract Year.

3. Management Fee. The Authority shall pay to Manager an annual management fee as compensation for Manager's operational and management services rendered and to be rendered hereunder during the term of this Contract as follows: For the first Contract Year such annual management fee shall be Two Million Fifty Thousand Dollars (\$2,050,000.00). Such annual fee shall be adjusted every Contract Year thereafter as follows: Commencing with the second Contract Year and each Contract Year thereafter through the seventh Contract Year, such annual fee shall be one hundred and three percent (103%) of the annual management fee for the immediately preceding Contract Year. Commencing with the eighth Contract year and each Contract Year thereafter, such annual fee shall be:

(A) the annual management fee for the immediately preceding Contract Year; plus

(B) a percentage of (A) equal to the percentage increase, if any, from the general price level as measured by the Consumer Price Index for All Urban Consumers for the United States, or its successor publications, as defined and officially reported by the United States Department of Labor, or its successor agency, on the latest twelve-month basis available on July first of each year over the immediately preceding prior twelve-month period but in no event shall any such percentage increase for any Contract Year exceed four and three-fourths percent (4.75%).

For purposes hereof, the term "Consumer Price Index for All Urban Consumers for the United States" shall mean the revised Consumer Price Index for All Urban Consumers, U.S. City Average, All Items (1982-84=100).

The annual management fee shall be paid in two equal installments each for the preceding six months of the Contract Year on August 1 and February 1 commencing August 1, 1990.

4. Management Services. During the term of this Contract, as it may be extended, and provided that no event of default by the Authority has occurred under this Contract or the Lease and no event which, with notice or lapse of time or both, would constitute a default by the Authority thereunder has occurred and is

continuing, the Manager shall perform the following services or duties as an independent contractor with the Authority:

(A) Operation. The Manager shall have the exclusive right to and shall operate the Baseball Stadium and its immediate environs and the co-exclusive right, together with the Co-Manager, to and shall operate the Central Service Facility and all other common use areas of the Sports Complex. Consistent with the terms, conditions and provisions of this Contract and the Lease, in connection with such operation, Manager agrees as follows:

(i) to employ, supervise and pay such employees, servants or contractors reasonably considered by Manager as necessary for the efficient management and operation of the Baseball Stadium and its immediate environs;

(ii) to provide all equipment, tools, appliances, materials and supplies reasonably necessary to perform the duties, obligations or responsibilities imposed upon it by the terms of this Contract;

(iii) to perform the other duties, obligations or responsibilities imposed upon it by other subparagraphs of this paragraph 4 or elsewhere in this Contract;

(iv) to consult with the Authority concerning the work of any repairs, replacements, alterations, improvements, installations or additions which are the responsibility of the Authority under the provisions of this Contract or the Lease; and

(v) to use its best reasonable efforts under all prevailing circumstances to operate and manage the Baseball Stadium in the same manner as is customary and usual in the operation of comparable facilities.

(B) Utilities. Manager shall pay the costs and charges of all water, gas, electricity or other utilities consumed in the Baseball Stadium and its immediate environs and all utilities directly related to events in the Baseball Stadium. It is understood and agreed that the costs of utilities in common use areas of the Sports Complex outside the Football and Baseball Stadiums (and the football practice fields) shall be paid for by the Manager and Co-Manager. The Manager and Co-Manager shall apportion such common areas utilities costs between them in a manner and on a basis satisfactory to each of them and such joint obligation shall be expressed in a separate agreement between them or as a part of an overall joint written agreement comprising all their joint operational and management obligations related to portions of the Sports Complex.

(C) Cleaning. At its expense, Manager shall be responsible for cleaning the Baseball Stadium and its immediate environs at all times and the parking areas, circulation roadways, walkways and other grounds after each Baseball Stadium event (or event on premises leased by Manager other than in the Baseball Stadium) exhibited by Manager, its sublessees or licensees. The cleaning on non-event days of the common use areas of the Sports Complex outside the Football and Baseball Stadiums (and the football practice fields) shall be performed by the Manager and Co-Manager in a manner and on a basis satisfactory to each of them and such joint obligation shall be expressed in a separate agreement between them or as part of an overall written agreement comprising all their joint operational and management obligations related to portions of the Sports Complex.

(D) Maintenance and Repair.

(i) Manager, at its cost and expense, will be responsible for the ordinary maintenance and repair of the Baseball Stadium and its immediate environs and, together with the Co-Manager, the Central Service Facility and the mowing and upkeep of the landscaped common areas (excluding replacement of trees and shrubs which shall be and remain the Authority's obligation).

(ii) The obligation to be responsible for ordinary maintenance and repair set forth in (i) above shall include only: ordinary maintenance and repair as defined below (but not the repair or replacement of any structural item which is the Authority's responsibility hereunder Sections 10.02(B), (C) or (D) of the Lease or otherwise) of the scoreboards, the heating, ventilating, air conditioning, hot water, electrical, sound and other systems in the Baseball Stadium (but not outside the same) or in the Central Service Facility (the costs of which shall be apportioned between Manager and Co-Manager as they shall determine and be expressed in a separate or overall joint agreement as referred to in (B) above); ordinary maintenance and repair of broken spectator seats and seating in the Baseball Stadium (excluding any structural repair or replacement or mass replacement thereof necessary due to general time and use deterioration which shall be the Authority's obligation); painting of any portion of the Baseball Stadium or Central Service Facility (except any painting deemed to be structural as set forth in Section 10.02(B) of the Lease or any painting in the Master Plan); and any other ordinary maintenance and repair of the Baseball Stadium and its immediate environs, or the Central Service Facility not required by other provisions of this

Contract to be performed by the Authority. For all purposes of this Contract, "ordinary maintenance and repair" shall mean repair or replacement which costs Two Hundred Fifty Dollars (\$250.00) or less per incident or commonly related occurrence, including labor. For all purposes of this Contract, "structural repair or replacement" shall mean repair or replacement which costs more than Two Hundred Fifty Dollars (\$250.00) per incident or commonly related occurrence, including labor. In no event shall "structural repair or replacement" be construed or interpreted to apply to only weight bearing members or components but shall be interpreted as set forth in the immediately foregoing sentence, it being the intent of the parties to use such phrase to distinguish among those items of maintenance, repair and replacement which shall be borne by them respectively during the term of this Contract. The Two Hundred Fifty Dollar (\$250.00) amount described above shall be adjusted using the formula set forth in paragraph 3 above.

(iii) However, anything in the foregoing to the contrary notwithstanding, Manager shall be responsible for, at its cost and expense, all repairs and replacements, when necessary, whether ordinary or structural, to the interior areas and the systems or equipment in the Baseball Stadium's stadium club or suites (but not office areas of or in the Baseball Stadium) except for the roofs, exterior walls, guttering, downspouts and expansion joints of or pertaining thereto which shall be maintained, repaired and replaced by the Authority at its cost and expense.

(E) Sports Complex and Stadium Security.

(i) Manager, at its expense, jointly with the Co-Manager, shall provide such security guards and night watchmen as may be reasonably necessary in order to provide twenty-four hour per day, year-round protection and security of the Sports Complex and all its facilities.

(ii) In addition, Manager will provide, at its expense, such event day security personnel as are necessary and reasonable for its events at the Baseball Stadium. It is understood that nothing in the Lease or this Contract will relieve the County and Kansas City, Missouri, from any responsibility they may otherwise have to provide necessary law enforcement officers, at no additional cost to the Manager, for security purposes within the Baseball Stadium, parking or other Sports Complex areas, or to provide the necessary officers required for traffic control and direction, during the

times the Baseball Stadium is in use for events scheduled by the Manager, its licensees or sublessees.

(F) Insurance.

(i) The Manager shall obtain and maintain in full force and effect, at its cost and expense, the following insurance coverages:

(a) Comprehensive general public liability insurance, including premises, operations and products liability, under which the Authority, the County, the Manager and the Co-Manager are named as insureds and under which the insurer agrees to defend and indemnify such insureds and hold them harmless from and against all costs, losses, damages, expenses, liabilities and claims therefor arising out of, based upon, or resulting from any acts or omissions of the County, the Authority, the Co-Manager or the Manager or any employee, agent, licensee or concessionaire of any of them in or with respect to the operation, occupancy, maintenance or use of the Baseball Stadium (including its stadium club, suites and concession facilities) and its immediate environs, and any other areas of the Sports Complex used jointly by the Manager and the Co-Manager, including any and all accidents, injuries and damages of any kind whatsoever to any person or any property howsoever occurring and claimed to have been suffered therein. The minimum limits of liability of such insurance shall be \$1,000,000 in the event of injury to or the death of any one person and not less than \$3,000,000 in the event of injury to or death of more than one person arising by reason of one occurrence and \$500,000 with respect to damage to property. Anything in the foregoing to the contrary notwithstanding, Manager may satisfy its obligation to provide products liability coverage if such insurance is maintained by Manager's licensees or concessionaires.

(b) Workers' compensation insurance on all persons employed by Manager in or about the Baseball Stadium or leased premises in connection with Manager's operations, which policy shall (if and to the extent possible) name the County and the Authority as named insureds thereunder.

(ii) Current duplicate originals of every policy of insurance required to be maintained by Manager above or current certificates of such insurance, marked "premium

paid," shall be deposited at all times with the Authority and, in any event, not less than ten (10) days before the expiration of any existing policies. Each such policy shall be issued by a solvent and reputable insurance company or companies authorized to do business in Missouri and shall be non-cancellable and non-modifiable with respect to the County, the Authority and Manager except upon at least thirty (30) days' prior written notice to each of them. Manager shall provide the Authority a current certificate of such insurance within ten (10) days of a written request therefor.

(iii) The insurance hereinabove required of Manager may be covered under a so-called "blanket" policy covering other properties or locations of Manager or its affiliates, provided that the County and the Authority shall be named as additional insureds thereunder, the coverage required hereinabove will not be reduced or diminished by use of such blanket policy and the other requirements hereinabove set forth are otherwise satisfied.

(iv) If at any time during the term of this Contract, as it may be extended, Manager is unable to secure or maintain the comprehensive general public liability or workers' compensation insurance described above at commercially reasonable premium rates or Manager desires to self-insure against the same, Manager shall not be in default under this Contract if, in lieu thereof, it provides to the Authority proof of financial responsibility in the form of cash, a cash bond, a self-insurance reserve fund or other security reasonably satisfactory to the Authority in a reasonable amount as recommended by an independent insurance consultant and Manager agrees to handle and defend all claims that would have been covered by such commercial insurance. The form of any such alternative security shall contain terms and provisions reasonably acceptable to the Authority in order to provide it and the County similar protection to that which they would have had with commercial comprehensive general public liability insurance coverage or workers' compensation insurance coverage.

(v) The Authority and the Manager each shall faithfully perform and comply with, subject to the provisions of this Contract and the Lease, all of the terms and conditions of the policies of insurance required by the foregoing provisions of this Contract or in said Lease except those terms and conditions which, by the terms of this Contract or the Lease or the policy in question, are required to be performed or complied with by the other party, which terms and conditions the

other party shall perform and comply with. Without limitation of the foregoing, the Manager, the County, and the Authority shall give prompt notice to the insurers and to each other of all claims covered by any of said policies. The Manager shall pay or cause to be paid the premiums on the policies to be carried by it at all times and in the amounts required to maintain in full force and effect the insurance required to be maintained hereunder and the Manager shall not be entitled to any reimbursement by the County or the Authority for such premiums or to any credit therefor on the rent provided for in the Lease.

(vi) The Manager shall require all licensees, sublessees or other users of the Baseball Stadium to procure a policy or policies of insurance naming as insureds thereunder the County, the Authority, the Co-Manager and the Manager and their officers, directors, shareholders or members and employees, providing comprehensive general public liability insurance against claims, suits and judgments against said insureds for death, personal injury and property damage arising out of or occurring during the operation, occupancy or use of or resulting from the acts or omissions of the County, the Authority, the Co-Manager, the Manager and any such licensee, sublessee or other stadium user or the employees or agents of any of them in or with respect to the Sports Complex or any part thereof during the period of use of the Sports Complex or any part thereof by any such licensee, sublessee or other stadium user (including in the term "period of use," without limitation of the generality thereof, the period when the Baseball Stadium is being prepared for and restored after any event to be conducted by such licensee, sublessee or other stadium user).

5. Compliance with Lease. Manager and the Authority agree to cause all acts and things herein provided to be done by them, to be performed in accordance and compliance with the Lease.

6. Force Majeure.

(A) Should any matter or condition beyond the reasonable control of either party such as, but not limited to, war, public emergency or calamity, fire, earthquake, flood, act of God, strike, lockout, work stoppage or other labor disturbance, failure of delivery of materials, parts or equipment or any governmental restriction, prevent performance of this Contract in accordance with its provisions, performance of this Contract by either party shall be suspended or excused to the extent commensurate with such interfering occurrence. Provided, however, that the

obligation of the Authority to make the management fee payments provided for in paragraph 3 hereof shall not be suspended.

(B) The term of this Contract shall be further extended for an additional period of time equal to the full period that the Manager is prevented by such force majeure from managing the Baseball Stadium. Such extension of the term of this Contract shall be upon the same terms and conditions as prescribed by paragraph 2 above.

(C) Notwithstanding the foregoing provisions of this paragraph 6 to the contrary, if a "force majeure," as described above in this paragraph 6, shall occur and, as a consequence thereof, the whole or a material part of the premises shall be rendered unfit or unavailable for the purpose of this Contract, subject to the provisions of Section 20.01 of the Lease, the Tenant may terminate this Contract by giving the Authority notice in writing of such termination as provided in paragraph 11 hereof.

7. Manager's Defaults and the Authority's Remedies.

(A) In the event (each of which events as defined hereinafter shall be sometimes referred to as an "Event of Default"):

(i) (a) the Manager defaults in the making of any payment of rent or any other payment required under the Lease or in the performance or observance of any term, covenant, condition or provision of the Lease or this Contract; (b) such default is of a kind which is curable or remediable; and (c) such default continues for a period of thirty (30) days after service of a notice of default or, if the curing or remedying of such default requires the doing of work or the taking of action which cannot with due diligence be completed in a thirty (30) day period, continues beyond such period following the end of the period of thirty (30) days after the service of a notice of default as is reasonably necessary, taking into account unavoidable delays, to do the work required or to complete such other action as is required to cure or remedy the default in question; or

(ii) the Manager defaults in the performance or observance of any term, covenant, condition or provision of the Lease or this Contract and either (a) such default is not curable or remediable and is with respect to a substantial obligation of the Lease or this Contract, the Authority cannot be made

whole therefor by the collection of money damages and it is committed or permitted under such circumstances as to evidence a willful or negligent disregard by the Manager of its substantial obligations under the Lease or this Contract, or (b) such default, in the light of prior defaults by the Manager, collectively establishes a course of conduct of willful or negligent disregard by the Manager of its substantial obligations under the Lease or this Contract; or

(iii) subject to applicable law, including any section of the U.S. Bankruptcy Code, there shall be filed against the Manager (or, in the event of any assignment hereunder, then against any assignee of the Manager's rights hereunder) in any court pursuant to any statute either of the United States or of any State a petition in bankruptcy or insolvency or for reorganization (other than a reorganization not involving the liabilities of the Manager or such assignee) or for the appointment of a receiver or trustee of all or substantially all of the Manager's (or such assignee's) property and within one hundred twenty (120) days of such filing the Manager (or such assignee) fails to secure a discharge of such petition or the dismissal of such proceedings, or the Manager (or such assignee) files a voluntary petition in bankruptcy or insolvency or for the appointment of a receiver or trustee or makes an assignment for the benefit of creditors or petitions for or enters into an arrangement;

THEN the Authority shall have the rights and remedies hereinafter set forth.

(B) Anything in the Lease or this Contract to the contrary notwithstanding, no Event of Default by Manager shall be deemed to have occurred under this paragraph or Section 27.01 of the Lease until the expiration of thirty (30) days after the giving of a written notice of default notwithstanding the fact that the claimed default is not curable or remediable so that the Manager will have the opportunity to initiate judicial proceedings to determine whether the claimed default constitutes an Event of Default by it thereunder. In the event that the Manager in good faith commences such proceedings to contest the existence of any such Event of Default and uses reasonable diligence in prosecuting such action and complies with the final judgment of the court in such action, then the Authority shall not have any right to terminate the Lease or this Contract as provided hereinafter and in Section (D) of Section 27.01 of the Lease,

but nothing herein and therein contained shall prevent a court from granting such protective orders, injunctions and interlocutory judgments as might otherwise be appropriate.

(C) Anything elsewhere in the Lease or this Contract to the contrary notwithstanding, no notice by the Authority under this paragraph or Section 27.01 of the Lease (herein called a notice of default) shall be valid or effective unless it complies with the following requirements: (i) it shall be served within a reasonable time after the Authority acquires knowledge of the occurrence of the claimed default; (ii) it shall specify the Article and Section or paragraph, if any, of the Lease or this Contract under which the default is claimed to have occurred; (iii) it shall state that if the claimed default is not cured or remedied within the applicable period, if any, specified in Section 27.01 of the Lease and herein, the Authority will have the right to terminate the Lease and this Contract and all rights of the Manager thereunder; and (iv) for the purpose of determining the expiration date of any applicable period for the curing or remedying of such default, the provisions of Section 33.05 of the Lease shall apply.

(D) Within thirty (30) days after the occurrence of any Event of Default by Manager, the Authority shall have the right to give the Manager notice of intention to terminate the Lease and this Contract and all rights of the Manager thereunder and upon the effective date of such termination specified in such notice (which shall be not less than thirty (30) days after the giving of such notice), the term of the Lease and this Contract shall end as fully and completely as if that were the date fixed for the expiration of the term of the Lease and this Contract.

(E) If the notice provided for herein and in the Lease has been served and the term of the Lease and this Contract has ended as aforesaid, then the Authority may pursue any and all rights and remedies it may have under this Contract or at law or in equity.

8. Authority's Default and Manager's Remedies.

(A) In the event (each of which events as defined hereinafter shall be sometimes referred to as an "Event of Default"):

(i) the Authority defaults in the making of any payment of any annual management fee or any other payment required to be made by the Authority to the Manager under this Contract on the date when such payment is due and payable and any such default continues for a period of thirty (30) days after service of a notice of default

complying with the requirements hereinafter set forth;
or

(ii) subject to the provisions of Section 27.02(J) of the Lease, the Authority fails, refuses or for any reason is unable to implement or cause the completion of any repair, replacement or improvement described in the Master Plan as identified in the Lease on or by the date therein required for the same; or

(iii) (a) the Authority defaults in the performance or observance of any other term, covenant, condition or provision of the Lease or this Contract, (b) such default is of a kind which is curable or remediable, and (c) such default continues for a period of thirty (30) days after service of a notice of default or, if the curing or remedying of such default requires the doing of work or the taking of action which cannot with due diligence be completed in a thirty (30) day period, continues beyond such period following the end of the period of thirty (30) days after the service of a notice of default as is reasonably necessary, taking into account unavoidable delays, to do the work required or to complete such other action as is required to cure or remedy the default in question; or

(iv) the Authority defaults in the performance or observance of any term, covenant, condition or provision of the Lease or this Contract and either (a) such default is not curable or remediable and is with respect to a substantial obligation of the Lease or this Contract, the Manager cannot be made whole therefor by the collection of money damages and it is committed or permitted under such circumstances as to evidence a willful or negligent disregard by the Authority of its substantial obligations under the Lease or this Contract, or (b) such default, in the light of prior defaults by the Authority, collectively establishes a course of conduct of willful or negligent disregard by the Authority of its substantial obligations under the Lease or this Contract;

THEN the Manager shall have the rights and remedies hereinafter set forth.

(B) Anything in the Lease or this Contract to the contrary notwithstanding, no Event of Default by the Authority shall be deemed to have occurred hereunder or under Section 27.02 of the Lease until the expiration of thirty (30) days after the giving of a notice of default notwithstanding the fact that the claimed default is not curable or remediable so that the Authority will have the opportunity to initiate judicial proceedings to determine whether the claimed default

constitutes an Event of Default hereunder. In the event that the Authority in good faith commences such proceedings to contest the existence of any such Event of Default and uses reasonable diligence in prosecuting such action and complies with the final judgment of the court in such action, then the Manager shall not have any right to terminate the Lease and this Contract as hereinafter provided or provided in Subsection (C) of Section 27.02 of the Lease, but nothing herein or therein shall prevent a court from granting such protective orders, injunctions and interlocutory judgments as might otherwise be appropriate.

(C) Anything elsewhere herein or in the Lease to the contrary notwithstanding, no notice by the Manager hereunder or under Section 27.02 of the Lease (herein called a notice of default) shall be valid or effective unless it complies with the following requirements: (i) it shall be served within a reasonable time after the Manager acquires knowledge of the occurrence of the claimed default; (ii) it shall specify in reasonable detail the claimed default and shall specify the Article, Section or paragraph, if any, of the Lease or this Contract under which the default is claimed to have occurred; (iii) it shall state that if the claimed default is not cured or remedied within the applicable period, if any, specified herein and in Section 27.02 of the Lease, the Manager will have the right to terminate the Lease and this Contract and all obligations of the Manager thereunder; and (iv) for the purpose of determining the expiration date of any applicable period for the curing or remedying of such default such notice shall be deemed to have been served when served or mailed, as the case may be.

(D) Within thirty (30) days after the occurrence of any Event of Default by the Authority, the Manager shall have the right to give the Authority notice of intention to terminate the Lease and this Contract and all rights of the Authority thereunder and upon the effective date of such termination specified in such notice (which shall be not less than thirty (30) days after the giving of such notice) the term of the Lease and this Contract shall end as fully and completely as if that were the date fixed for the expiration of the term of the Lease and this Contract the Lease and any obligations of the Manager to pay rent under the Lease or perform any other covenant, condition, obligation or provision of the Lease or this Contract shall end but the Authority shall be liable as provided in Section 27.02 of the Lease.

(E) In the event of termination because of an Event of Default of the Authority, the Manager shall have all the rights and remedies provided to it under this Contract or at law or in equity including, without limitation, any right of

set-off hereunder or under the Lease and the right to sue for damages.

9. Independent Contractor. The Manager shall be and remain an independent contractor with respect to all rights obtained and services performed under this Contract. Nothing herein contained shall make, or be construed to make, the Authority and the Manager partners of one another, nor shall this Contract be construed to create a partnership or joint venture between the parties hereto or referred to herein.

10. Assignment. This Contract may not be assigned, transferred, mortgaged or pledged by the Manager without the prior written consent of the Authority (which consent will not be unreasonably withheld or delayed), except for those events, situations or occurrences described in the Lease which do not require the Authority's consent thereto.

11. Notices.

(A) Where any provision is made in this Contract for the giving of a notice or the making of a demand, such notice or demand (hereinafter in this paragraph collectively called a notice) shall be in writing and shall be served as provided in this paragraph (except that if any express provision for the giving of any notice set forth elsewhere in this Contract conflicts with any provision of this paragraph, such other express provisions shall govern).

(B) All notices to the Authority shall be either delivered personally in hand or sent by U.S. certified mail, return receipt requested, postage prepaid, addressed to the Authority as follows:

Jackson County Sports Complex Authority
8501 Stadium Drive
Four Arrowhead Drive
Kansas City, Missouri 64129
Attn: Chairman

and

Craft Fridkin Shaffer & Rhyne
1100 One Main Plaza
4435 Main Street
Kansas City, Missouri 64111
Attn: J. Michael Shaffer, Esq.

(C) Until the Authority is notified otherwise by Manager, all notices from the Authority to Manager shall be deemed to have been duly given if delivered personally in hand or sent

by U.S. certified mail, return receipt requested, postage prepaid, addressed to Manager as follows:

Kansas City Royals Baseball Corporation
Post Office Box 419969
Kansas City, Missouri 64141
Attn: President

and

Shook, Hardy & Bacon
One Kansas City Place
1200 Main Street
Kansas City, Missouri 64105
Attn: Jennings J. Newcom and
Richard D. Woods, Esq.

or at such other address or addresses as may from time to time hereafter be designated by Manager to the Authority by notice.

(D) Until otherwise notified in writing by Manager, the Authority shall pay all management fees and other sums required to be paid by the Authority under this Contract by check payable to the order of Manager and shall deliver the same to the office of Manager listed second in subparagraph 11(C) immediately above.

(E) All notices delivered personally shall, for all purposes, be deemed to have been given and served when so delivered. All mailed notices shall be deemed to have been given and served three (3) days after being deposited in the United States mail in the manner prescribed in the subparagraphs set out hereinbefore.

12. Miscellaneous.

(A) If during the term of this Contract, as it may be extended, the Co-Manager's Contract (i) is changed, modified or amended or (ii) is terminated or expires without extension or renewal and a new management contract for the premises therein described (whether or not with a different manager) is executed, then the Authority agrees that all provisions or conditions contained therein including, without limitation, management fee and duties, which, either separately or in the aggregate, are more favorable than those contained in this Contract and the Co-Manager's Contract shall automatically become and constitute a part of this Contract overriding and modifying any inconsistent provisions contained herein.

(B) If the Lease is terminated pursuant to the provisions of Section 34.02 thereof, this Contract shall be automatically terminated therewith.

(C) The failure of the Authority or the Manager to insist in any one or more instances upon the strict performance of the covenants, agreements, terms, provisions or conditions of the Lease or this Contract or to exercise any election or option herein or therein contained shall not be construed as a waiver or relinquishment for the future of such covenant, agreement, term, provision, condition, election or option, but the same shall continue and remain in full force and effect. No waiver by the Manager or the Authority of any covenant, agreement, term, provision, condition or option of the Lease or this Contract shall be deemed to have been made unless expressed in writing and signed by an appropriate official on behalf of the Authority or by an officer of the Manager. Neither the payment of rent under the Lease by the Manager, nor the receipt and retention by the Authority of rent, with knowledge of the breach of any covenant, agreement, term, provision or condition in the Lease or in this Contract contained, shall be deemed a waiver of such breach.

(D) No consent or approval by the Authority or the Manager permitted or required under the terms of the Lease or this Contract shall be valid or be of any validity whatsoever unless the same be in writing, signed by the party by or on whose behalf such consent is executed.

(E) All obligations and liabilities under the Lease and this Contract on the part of the Authority and on the part of the Manager are solely corporate liabilities and each party hereby releases each and every incorporator, officer, agent, director, shareholder and member of the other party of and from any personal or individual liability under the Lease and this Contract, and no incorporator, officer, agent, director, shareholder or member of the Authority or the Manager shall at any time or under any circumstances be individually or personally liable under the Lease or this Contract or for any action taken hereunder by the Authority or the Manager or otherwise in connection therewith, or for or on account of any failure on the part of the Authority or the Manager hereunder or under the Lease.

(F) This Contract contains all of the covenants, agreements, terms, provisions and conditions relating to the subject matter hereof. No alteration, amendment or modification hereof shall be valid, unless executed by an instrument in writing by the parties hereto with the same formality as this Contract. This Contract supersedes, cancels and replaces any and all previous negotiations, arrangements, agreements and understandings, if any, with respect to the subject matter hereof.

(G) The covenants, terms, provisions and conditions of this Contract shall be binding upon and inure to the benefit of the Authority and the Manager and their respective successors and, to the extent permitted herein, assigns.

(H) This Contract is made and shall be construed and interpreted under and in accordance with the laws of the State of Missouri.

(I) Time is of the essence with respect to the performance of the respective obligations of the Authority and the Manager set forth in this Contract.

(J) The captions and headings throughout this Contract are for convenience and reference only and the words contained therein shall in no way be held or deemed to define, limit, describe, explain, modify, amplify or add to the interpretation, construction or meaning of any provision of this Contract or the scope or intent thereof, nor in any way affect this Contract.

(K) The Authority and the Manager acknowledge and agree that the terms, covenants and provisions of the Lease and this Contract are interdependent one upon the other and that the Manager would not have entered into the Lease and this Contract but for the assurance of the availability of all benefits of the Lease and this Contract for the entire term thereof. In the event any provision of the Lease other than the payment of the Management Fee under the Management Contract, implementation of the Master Plan, the improvements under Section 3.02 of the Lease, or any other material benefits bargained for under the Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provisions hereof.

(L) If, as a result of any changes in the Constitution of Missouri or the Constitution of the United States of America or of legislative or administrative action (whether municipal, state or federal) or by final decree, order or judgment of any court or administrative body (whether municipal, state or federal) entered after the contest thereof by the Manager or the Authority, as applicable, in good faith, the Lease or this Contract or any material part thereof shall have become void or unenforceable or impossible of performance in accordance with the intent and purposes of the parties as expressed in the Lease and this Contract, the Authority shall have the right to terminate this Contract at any time following such occurrence by serving written notice upon the Manager.

(M) The Authority and the Manager acknowledge that simultaneously with the execution of the Lease and this Contract, they and the County shall enter into the County Consent and Agreement in the form thereof annexed to the Lease and that the Manager would not have entered into the Lease and this Contract but for the inducements therein contained.

(N) This Contract may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Authority and the Manager have caused this Contract to be executed in their respective corporate names and attested by their duly authorized officers and their respective corporate seals to be hereunto affixed, all at 10:40 o'clock a.m., Central Standard Time, on the date first above written.

JACKSON COUNTY SPORTS COMPLEX AUTHORITY

(Seal)

By: [Signature]

Thomas J. Condon
Chairman

ATTEST:

By: [Signature]

Robery Woodley
Secretary

APPROVED AS TO FORM:

[Signature]
J. Michael Shaffer

(Seal)

KANSAS CITY ROYALS BASEBALL CORPORATION

ATTEST:

By: [Signature]

Ewing M. Kauffman
Chairman

By: [Signature]

Dale Rone

Secretary

FIRST AMENDMENT
TO
MANAGEMENT CONTRACT

THIS FIRST AMENDMENT TO MANAGEMENT CONTRACT (this "First Amendment") is made and entered into as of the 13th day of February, 1990, by and between the JACKSON COUNTY SPORTS COMPLEX AUTHORITY, a body corporate and politic and a political subdivision of the State of Missouri (hereinafter referred to as the "Authority"), and the KANSAS CITY ROYALS BASEBALL CORPORATION, a Missouri corporation (hereinafter referred to as the "Manager").

WITNESSETH:

WHEREAS, the Authority and the Manager previously made and entered into that certain Management Contract dated as of January 19, 1990 (the "Contract"); and

WHEREAS, the Authority and the Manager mutually desire to modify and amend certain provisions of the Contract as hereinafter set forth;

NOW, THEREFORE, in consideration of the premises, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged by the parties, the Authority and the Manager agree as follows:

1. Amendment to Subparagraph 12(L). Subparagraph (L) of paragraph 12 of the Contract, appearing on page 19 thereof, is hereby amended and modified to henceforth read in its entirety as follows:

"(L) If, as a result of any changes in the Constitution of Missouri or the Constitution of the United States of America or of legislative or administrative action (whether municipal, state or federal) or by final decree, order or judgment of any court or administrative body (whether municipal, state or federal) entered after the contest thereof by the Manager or the Authority, as applicable, in good faith, the Lease or this Contract or any material part thereof shall have become void or unenforceable or impossible of performance in accordance with the intent and purposes of the parties as expressed in the Lease and this Contract, the Authority and the Manager each shall have the right to terminate this Contract at any time following such occurrence by serving written notice upon the other."

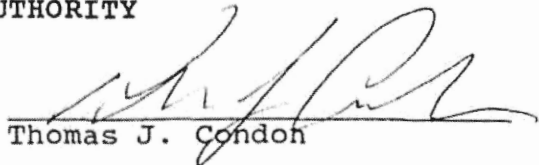
2. Ratification. As amended and modified by this First Amendment, the Authority and the Manager ratify and confirm the Contract and its terms and provisions.

3. Multiple Counterparts. This First Amendment may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Authority and the Manager have caused this First Amendment to be executed in their respective corporate names and attested by their duly authorized officers and their respective corporate seals to be hereunto affixed, as of the date first above written.

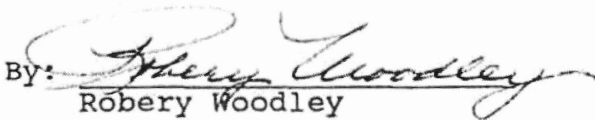
JACKSON COUNTY SPORTS COMPLEX
AUTHORITY

(Seal)

By: 
Thomas J. Condon

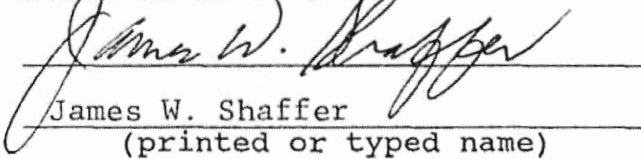
Title: Chairman

ATTEST:

By: 
Robery Woodley

Title: Secretary

APPROVED AS TO FORM:


James W. Shaffer
(printed or typed name)

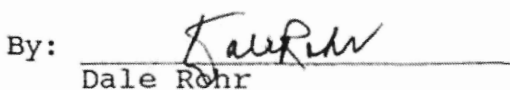
(Seal)

KANSAS CITY ROYALS BASEBALL
CORPORATION

By: 
Ewing M. Kauffman

Title: Chairman

ATTEST:

By: 
Dale Rohr

Title: Secretary