
BALLPARK FUNDING AND CLOSING AGREEMENT

RANGERS BALLPARK DEVELOPMENT PROJECT
IN THE CITY OF ARLINGTON, TEXAS

July 3, 2017

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BALLPARK FUNDING AND CLOSING AGREEMENT

This BALLPARK FUNDING AND CLOSING AGREEMENT (this "Agreement") is executed to be effective as of the 3rd day of July, 2017, by and between the CITY OF ARLINGTON, TEXAS, a duly incorporated home rule city of the State of Texas (the "City"), and RANGERS STADIUM COMPANY LLC, a Delaware limited liability company ("Tenant") and its successors or assigns. The City and the Tenant are sometimes collectively referred to herein as the "Parties" or singularly as a "Party."

RECITALS

A. On and as of May 24, 2016, the City and Rangers Baseball LLC, a Delaware limited liability company ("TeamCo"), entered into that certain Master Agreement Regarding Ballpark Complex Project (the "Master Agreement").

B. Under the Master Agreement, the City, subject to applicable law, and TeamCo agreed that they would share in the costs of designing, constructing, and equipping a Ballpark (as defined herein), to be owned by the City and leased to Tenant, to serve as the lessee, developer, operator and tenant of such project, under and subject to the terms and provisions of a written lease agreement.

C. The Tenant, as the Ballpark Tenant (as defined in the Master Agreement) and the assignee of TeamCo with respect to certain provisions of the Master Agreement, has assumed TeamCo's contemplated funding obligations with respect to the Tenant Contribution (hereinafter defined) of the Project Costs in the manner and amounts provided herein.

D. Pursuant to an election duly called and held within the corporate limits of the City pursuant to Chapter 334, Texas Local Government Code, as amended (the "Act"), the voters voting thereat approved the Ballpark and Related Infrastructure (as defined in the Act) as an approved venue project under the Act, and authorized the City to use the proceeds from the levy and collection of certain taxes within the City for the purpose of providing the City Contribution (hereinafter defined) in payment of a portion of the Project Costs (hereinafter defined), and the City intends to issue Special Tax Revenue Bonds (hereinafter defined) and, if requested by the Tenant, Incremental Funding Bonds (hereinafter defined) for said purposes.

E. As contemplated by the Master Agreement, the City, the Tenant and TeamCo have negotiated and agreed to the terms and provisions of the Project Documents (hereinafter defined), and, upon satisfaction of the respective funding commitments of the Parties in accordance with the terms hereof, and the satisfaction of all other conditions set forth herein, the Parties and TeamCo have agreed to concurrently execute and deliver the Project Documents and to place into effect the transactions contemplated thereby.

F. The Parties intend hereby to set forth the terms and conditions of their respective funding commitments with respect to the Ballpark, and to provide the terms and conditions of and for the Project Document Closing, the City Contribution and Tenant Contribution (hereinafter defined), with certain of the provisions hereof surviving the closing and continuing in effect and enforceable thereafter.

NOW, THEREFORE, as a specific inducement to the City to fund the City Contribution, as a specific inducement to the Tenant to fund the Tenant Contribution, and as a specific inducement to TeamCo to execute and deliver the Non-Relocation Agreement (hereinafter defined) and Lease Guaranty (hereinafter defined), each of such inducements being subject to the terms hereof, and further, in consideration of the mutual covenants and agreements set forth below and other good and valuable consideration, the receipt and sufficiency of which consideration is acknowledged and confessed by each of the parties hereto, the parties hereto do hereby agree as follows:

ARTICLE I

GENERAL PROVISIONS AND DEFINITIONS

Section 1.1. General Provisions.

(a) Those certain provisions of this Agreement that, according to the terms and provisions hereof, will have effect from and after the Project Document Closing shall survive the Project Document Closing and shall continue to be in full force and effect and binding on the Parties.

(b) At or prior to the Project Document Closing, the Tenant shall execute or cause to be executed this Agreement, the Lease, the First Amendment to Centerfield Office Building Lease, the Amended and Restated Development Property Lease, the Amended and Restated Development Option Agreement, the Second Amended and Restated Convention Center Parking Agreement, the Purchase Option Agreement, the Stonegate, FGJN, and Division Street Land Lease Agreement, and the Third Amendment to the Existing Ballpark Lease. The Tenant shall cause TeamCo to execute the Non-Relocation Agreement and the Lease Guaranty and shall cause BPP to execute the Stonegate, FGJN, and Division Street Land Lease Agreement, the Amended and Restated Development Option Agreement, the Amended and Restated Development Property Lease and the Second Amended and Restated Convention Center Parking Agreement.

(c) On, from, and after the effective date of this Agreement, this Agreement, and the other Project Documents, constitute the entire understanding of the City, and TeamCo and the Tenant, with respect to the subject matter hereof and contain all the covenants and agreements of the Parties, with respect thereto.

(d) The City consents to TeamCo's assignment, and the Tenant's assumption, of certain provisions of the Master Agreement, as set forth in that certain assignment instrument of even date herewith.

(e) Accordingly, the City and the Tenant, acting on behalf of TeamCo, acknowledge and agree that the provisions of this Agreement, and the other Project Documents, replace and supersede all of the sections and provisions of the Master Agreement.

Section 1.2. Definitions.

(a) Unless the context otherwise requires, capitalized terms appearing in this Agreement, including in the Recitals hereto, that are included as defined terms in the Lease and that are not specifically and otherwise defined herein, shall have the meanings assigned to them in the Lease.

(b) Unless the context otherwise requires, capitalized terms appearing in this Agreement, including in the Recitals hereto, that are not defined terms in the Lease shall have the following meanings, respectively, to-wit:

“Acceptable Bond Insurer” means any insurance company or association engaged in the business of insuring bonds or providing financial guarantees or sureties, provided that obligations guaranteed by a surety bond or an insurance policy issued by such company or association shall carry an Investment Grade Rating at the time the bond insurance policy contemplated by Section 6.1(a) hereof is issued.

“Act” means Chapter 334, Texas Local Government Code, as amended.

“Additional Rent” means cash or surcharge or rent payable to the City that is collected in addition to the Base Rent and is required to support the Incremental Funding Bonds.

“Admissions Tax” means the Admissions Tax, at a rate not to exceed 10% of the price of a ticket sold for admission to any events at the Ballpark, that is imposed by the City, pursuant to and in accordance with Subchapter F of the Act.

“Affiliate” means any entity owned by the Tenant or owners of membership interests in the Tenant, or any other entity that directly or indirectly controls, is controlled by, or is under common control with the Tenant or such owners.

“Amended and Restated Development Option Agreement” means that agreement by and among the City, TeamCo and BPP concerning land subject to the Amended and Restated Development Property Lease which grants BPP the right to take title to that land for the purpose of economic development, in the form and substance attached hereto as Exhibit F and made a part hereof.

“Amended and Restated Development Property Lease” means that lease agreement between the City and BPP concerning land owned by the City surrounding the Ballpark, in the form and substance attached hereto as Exhibit E and made a part hereof.

“Applicable Law” means any statute, law, treaty, rule, code, ordinance, regulation, permit, interpretation, certificate or order of any Governmental Authority, or any judgment, decision, decree, injunction, writ, order or like action of any court, arbitrator or other Governmental Authority. Applicable Laws shall include, but not be limited to, City code provisions, ordinances, design standards, uniform codes, and other policies duly adopted by the City.

“Ballpark” means a flexible, retractable roof, multi-purpose, multi-functional ballpark and sports, special events, concert and community and entertainment venue project designed to seat approximately 40,000 spectators to be used for the home games for the Texas Rangers and which may also be used for one or more additional professional or amateur sporting events, containing, at a minimum, the Ballpark Elements, and which may also contain additional retail, restaurant and food establishments, Team training facilities and museums, and which term also includes water, sewer, drainage and road improvements necessary to service the Ballpark, as well as parking facilities adjacent to the Ballpark.

“Ballpark Budget” means the written preliminary budget setting forth the aggregate amount of the Project Costs and identifying to the extent practicable and in reasonable detail each material cost item for the construction of the Ballpark and the general timeframe for the inclusion of such expenses.

“Ballpark Elements” means those required elements and features of the Ballpark as set forth in Exhibit L.

“Base Rent” means the amount of \$2,000,000 (Two Million Dollars) paid to the City annually, a portion of which is to be derived from the proceeds received by the Tenant or its Affiliates from the sale of the naming rights for the Ballpark commencing on the Rent Commencement Date and annually throughout the Initial Term thereto, of the Lease. During the term of any renewal of the Lease, the Base Rent shall be \$1,000,000 (One Million Dollars). Notwithstanding the above, the Tenant and the City may agree to an increase in the amount of Base Rent in order to accommodate additional City financing capacity for the City Contribution.

“Bond Proceeds Deficit” means the difference between the City Contribution and the Reduced Bond Amount.

“BPP” means Ballpark Parking Partners LLC, a Texas limited liability company.

“City Bond Sale Date” means the date on which the City approves the sale of the Special Tax Revenue Bonds pursuant to the Indentures or the authority provided in the Indentures, as long as the Closing Conditions are met. Such date shall be no later than August 15, 2018 or such other date as the Tenant and City may agree upon in writing.

“City Contribution” means \$500,000,000 funded from (i) the combined Net Bond Proceeds of the issuance of the Special Tax Revenue Bonds, in one or more series, on a taxable and/or tax-exempt basis, the proceeds of which are to be used to pay Project Costs of the Ballpark (excluding any Cost Overruns); and (ii) any Excess Tax Revenues contributed to the payment or reimbursement of Project Costs or the Initial Construction Costs of the Ballpark.

“City Debt Service Account” means the account or fund established by the documents authorizing the Special Tax Revenue Bonds in to which Tax Revenues are deposited to pay debt service on the Special Tax Revenue Bonds.

“City Designee” means the City Manager of the City or such other person as may be designated by the City Manager as his representative and designee for the construction of the Ballpark and the administration of the Project Documents.

“City Funding Date” means the date upon which the Special Tax Revenue Bonds shall close and the City shall fund the City Contribution. Such date shall be no later than September 30, 2018 or such other date as the Tenant and the City may agree upon in writing.

“City Funding Sources” means and include solely (i) the proceeds actually received by the City from the Sales Tax, the Hotel Occupancy Tax, and the Motor Vehicle Rental Tax, (ii) the Net Bond Proceeds, and (iii) the Base Rent, and such term expressly does not include any other revenues or taxes of the City that are derived from any other source.

“City Project Cost Account” means the account by that name and from which Project Costs will be paid or reimbursed which is to be created pursuant to Section 3.2 hereof.

“Closing Conditions” means those certain conditions precedent to funding the City Contribution and Tenant Contribution as set forth in Article IV.

“Cost Overruns” means those Project Costs in excess of the sum of the City Contribution, the SBL Proceeds and the Tenant Contribution for the development, design and construction of the Ballpark for which the Tenant shall be responsible.

“Disbursement Account” means the account by that name and from which Project Costs will be paid or reimbursed, which is to be created pursuant to Section 3.4 hereof.

“Election” means that venue election held pursuant to the Act on November 8, 2016 authorizing the Ballpark as a venue project under the Act.

“Entertainment District” means the City’s Tax Increment Financing District #5.

“Excess Tax Revenues” means the annual Tax Revenues, if any, received by the City but not required for the annual debt service payments, reserve fund deposits or administrative expenses on the Outstanding Bonds and the Special Tax Revenue Bonds or bonds issued to refund the Outstanding Bonds or Special Tax Revenue Bonds.

“Excess Tax Revenue Account” means an account established by the City into which Excess Tax Revenues are deposited pursuant to the provisions of Sections 2.3 and 2.4 for the purpose of paying Project Costs or reimbursing Project Costs expended by the Tenant for the Initial Construction Costs of the Ballpark.

“Existing Ballpark Lease” means the lease agreement between the City and TeamCo pertaining to Globe Life Park in Arlington, as previously amended (including pursuant to the Third Amendment to the Existing Ballpark Lease) and as the same may be further amended from time to time.

“First Amendment to Centerfield Office Building Lease” means the first amendment to the lease agreement between the City and Rangers Baseball Real Estate LLC, as tenant, with respect to offices located within Globe Life Park in Arlington in which Tenant offices, as well as additional tenants, are currently located, in the form and substance attached hereto as Exhibit J and made a part hereof.

“GMP Contract” means the guaranteed maximum price construction contract for the construction of the Ballpark.

“Governmental Authority” means any Federal, state or local governmental entity (including any taxing authority) or agency, court, tribunal, regulatory commission or other body, whether legislative, judicial or executive (or a combination or permutation thereof) and any arbitrator to whom a dispute has been presented under Governmental Rule, pursuant to the terms of this Agreement or by agreement of the Parties.

“Governmental Rule” means any statute, law, treaty, rule, code, ordinance, regulation, permit, interpretation, certificate or order of any Governmental Authority, or any judgment, decision, decree, injunction, writ, order or like action of any court, arbitrator or other Governmental Authority. Governmental Rules shall include, but not be limited to, the City codes and ordinances.

“Hotel Occupancy Tax” means the 2% (Two Percent) tax authorized by the Election levied pursuant to Subchapter H of the Act on persons occupying hotel rooms within the City.

“Incremental Funding Bonds” means non-recourse special revenue bonds, notes, or other obligations, issued by the City that are secured by and payable from a first and/or subordinate lien on and pledge of the Incremental Taxes, Additional Rent, if applicable, and from any other source pledged, and that are issued by the City pursuant to the Act at times and upon terms and having provisions that are mutually approved by the City and the Tenant.

“Incremental Taxes” means, collectively, the Admissions Tax and the Parking Tax.

“Incurred Financing Costs” means the amount of interest actually paid by the Tenant or TeamCo on borrowings to fund the Bond Proceeds Deficit, if any, together with the amount of fees actually paid by the Tenant or TeamCo in connection with incremental financing commitments specifically obtained to fund the Bond Proceeds Deficit, if any; provided, however, that for purposes of this definition, (a) the weighted average rate of interest over the reimbursement period shall be equal to the lesser of (i) the actual rate of interest paid by the Tenant or TeamCo or (ii) 5.5%; and (b) the amount of fees will be subject to the reasonable approval of the City.

“Indentures” means, collectively, the ordinances or indentures and the supplemental ordinances or indentures and other related ordinances authorizing the issuance of the Special Tax Revenue Bonds in one or more series, and the Incremental Funding Bonds, if any, as such indentures, ordinances, and supplements may from time to time be amended or further supplemented.

“Initial Construction Costs” means the costs expended to design, develop and construct the Ballpark through initial occupancy.

“Initial Tenant Contribution” means the amount of \$50,000,000 paid by the Tenant for the payment of Project Costs relating to development, design and site preparation of the Ballpark incurred prior to the issuance of the Special Tax Revenue Bonds, the timing of which contribution shall be in the sole discretion of the Team.

“Investment Grade Rating” means a rating equal to or higher than Baa3 (or the equivalent) by Moody’s Investor Service, Inc., a rating equal to or higher than BBB– (or the equivalent) by Standard & Poor’s Ratings Group, Inc., a rating equal to or higher than BBB– (or the equivalent) by Fitch Ratings, Inc., or another rating which is substantially equivalent to any of the foregoing ratings from another nationally recognized statistical rating organization reasonably acceptable to the City.

“Lease” means that certain agreement entitled “Rangers Ballpark Lease Agreement,” to be executed at the Project Document Closing by and between the City, as Landlord, and the Tenant, in the form and substance attached hereto as Exhibit B and made a part hereof.

“Lease Guaranty” means that certain agreement entitled “Lease Guaranty,” to be executed by TeamCo for the benefit of the City, in the form and substance attached hereto as Exhibit C and made a part hereof.

“Major League Baseball” or “MLB” means, depending on the context, any or all of (i) the Office of the Commissioner of Baseball (“BOC”), each other MLB Entity and/or all boards and committees thereof, including, without limitation, Executive Council, and/or (ii) the Major League Clubs acting collectively.

“Master Plans” means a set of preliminary and conceptual plans for the Ballpark.

“MLB Rules and Regulations” means (a) the MLB Governing Documents, (b) any present or future agreements or arrangements entered into by, or on behalf of, the BOC, any other MLB Entity or the Major League Baseball Clubs acting collectively, including, without limitation, agreements or arrangements entered into pursuant to the MLB Governing Documents, and (c) the present and future mandates, rules, regulations, policies, practices, bulletins, by-laws, directives or guidelines issued or adopted by, or behalf of, the Commissioner, the BOC or any other MLB Entity as in effect from time to time.

“Motor Vehicle Rental Tax” means the short-term motor vehicle rental tax authorized by the Election and subchapter E of the Act, which shall not exceed 5% (Five Percent) on the gross receipts from the rental in the City of a motor vehicle.

“NAIC” means the National Association of Insurance Commissioners or any successor thereto.

“Net Bond Proceeds” means the aggregate proceeds of the Special Tax Revenue Bonds, net of financing costs, expenses, capitalized interest, if any, reserve funds or other deposits required by the Indentures authorizing the Special Tax Revenue Bonds.

“Non-Relocation Agreement” means that certain agreement entitled “Non-Relocation Agreement,” to be executed at the Project Document Closing by and between the City and TeamCo, in the form and substance attached hereto as Exhibit A and made a part hereof.

“Operations and Maintenance Costs” means all operating, maintenance and utility costs of the Ballpark, including work, labor and materials reasonably required in the ordinary course of business to be performed and used to: (i) maintain the Ballpark in good, clean working order; (ii)

repair components of the Ballpark as a result of ordinary wear and tear; and (iii) replace, at the end of their economic life cycle, those components of the Ballpark whose reasonably expected economic life at the time of original installation was two years or less.

“Outstanding Bonds” means the outstanding City’s Special Tax Revenue Bonds, Series 2008 and 2009 or any obligations refunding, tendering, or defeasing such obligations that are secured by and payable from a lien on and pledge of the Sales Tax, the Hotel Occupancy Tax and the Motor Vehicle Rental Tax.

“Parking Tax” means a tax on each motor vehicle parking at a parking facility of the Ballpark at a rate not to exceed \$3.00 (Three Dollars) for each motor vehicle.

“Payment Certificate” means the certificate submitted by the Tenant to the City for the payment of invoices relating to Project Costs, as set forth in the Indenture which certificate must conform to the requirements set forth in Section 3.5 herein, in the form and substance attached hereto as Exhibit M and made a part hereof.

“Project Costs” means the actual costs to design, develop and construct the Ballpark provided that such Project Costs are authorized under the Act, including those costs described in Section 2.1 hereto.

“Project Document Closing” means the execution and delivery of each of the Project Documents by the City, TeamCo and the Tenant, as applicable.

“Project Document Closing Date” means June 30, 2017, or such other date as the City Representative and the Tenant shall mutually approve.

“Project Documents” means this Agreement, the Lease, the Lease Guaranty, the Non-Relocation Agreement, the Amended and Restated Development Property Lease Agreement, the Amended and Restated Development Option Agreement, the Second Amended and Restated Convention Center Parking Agreement, the Stadium Builder License Agreement, if any, the Purchase Option Agreement, the First Amendment to Centerfield Office Building Lease, the Third Amendment to the Existing Ballpark Lease, the Termination of Lease and Right of Reversion and the Stonegate, FGJN, and Division Street Land Lease Agreement, or some combination thereof, as well as such other agreements to which the parties may agree as necessary to fulfill and document the obligations set forth herein or as are required under Applicable Law.

“Purchase Option Agreement” means that certain agreement entitled “Purchase Option Agreement,” to be executed at the Project Document Closing by and between the City and the Tenant, as optionee, in the form and substance attached hereto as Exhibit D and made a part hereof.

“Reduced Bond Amount” means the actual Net Bond Proceeds generated pursuant to Section 2.3(b) herein.

“Rent Commencement Date” means the date on which the Tenant occupies the Ballpark, as set forth in the Lease.

“Sales Tax” means the sales and use tax authorized by the Election and levied pursuant to Subchapter D of the Act at a rate of ½% (one-half percent) on all sales within the City as set forth in the Act and in Chapter 321, Texas Tax Code.

“SBL Proceeds” means the proceeds of the sale of Stadium Builder Licenses, including deposits, but net of SBL expenses, including costs of sale and administration, whether on deposit in an account held by the City or the Tenant or previously applied to the payment or reimbursement of Project Costs.

“Schedule of Projected Project Cost Expenditures” means the schedule of estimated dates of payment and the amounts of Project Costs, as revised and adjusted from time to time, expected to be paid, prepared by the Tenant and/or the project developer and reasonably approved by the City, in order to commence and complete the design, construction, and equipment of the Ballpark.

“Second Amended and Restated Centerfield Office Building Lease” means the Second Amendment to that certain lease agreement between the City and Rangers Baseball Real Estate LLC, as tenant, with respect to offices located within Globe Life Park in Arlington in which the Tenant offices, as well as additional tenants, are currently located.

“Second Amended and Restated Convention Center Parking Agreement” means the Second Amended and Restated Convention Center Parking Agreement in the form and substance attached hereto as Exhibit G and made a part hereof. “Special Tax Revenue Bonds” means the bonds, notes, or other obligations, whose terms, provisions and conditions are as determined by the City, to be issued by the City, in one or more series, when required by Section 2.3 hereof, and that are secured by and payable from a lien on (senior and/or subordinate, as applicable) and pledge of (senior and/or subordinate, as applicable) (i) the Sales Tax, (ii) the Hotel Occupancy Tax, and (iii) the Motor Vehicle Rental Tax, and which may also contain a pledge of Base Rent.

“Stadium Builder Licenses” or “SBL” means seat licenses sold by the City, as owner of the Ballpark, to the general public as authorized in the Act. Such licenses will grant holders the right, among others, to purchase tickets for certain seats to events held at the Ballpark.

“Stonegate, FGJN, and Division Street Land Lease Agreement” means the Amended and Restated Lease Agreement (Stonegate, FGJN, and Division Street Land) in the form and substance attached hereto as Exhibit H and made a part hereof.

“SVO” means the Securities valuation office of the NAIC or any successor to such office.

“Targeted Taxes” means any form of tax or legislation imposing an economic burden that is exclusively levied or imposed on any portion of the Ballpark or the Team or its Affiliates that will be assessed on or directed at advertising, tickets, concessions, catering, parking (other than as set forth in the Election and the Project Documents), rent, or other facilities, services or revenue streams of the Ballpark, without the prior written approval of the Team, provided however that Targeted Taxes shall not include the Sales Tax, Hotel Occupancy Tax, Motor Vehicle Rental Tax, Parking Tax or Admissions Tax provided for herein.

“Tax Revenues” means the revenues derived by the City, net of the costs of collection, of the Hotel Occupancy Tax, the Sales Tax and the Motor Vehicle Rental Tax.

“Tenant Contribution” means the difference between the GMP Contract amount for the Project Costs of the Ballpark less (i) the City Contribution and (ii) the SBL Proceeds.

“Tenant Deposit” means each deposit to the Tenant Project Cost Account equal to the amount then required for the payment of Project Costs as set forth in Section 3.5 herein.

“Tenant Designee” means one or more Affiliates designated as the Tenant’s representative which (acting together and not alone) have full authority and responsibility for and control over the development, construction, operations and maintenance of the Ballpark, including but not limited to, the authority to enter into contracts as set forth in Article III herein.

“Tenant Project Cost Account” means the account established by the Tenant at a nationally recognized financial institution for the purpose of funding the Tenant Contribution, as set forth in Section 3.3 herein.

“Tenant-Specific Costs” means those costs paid by or credited to the Tenant that are a contribution to the City’s Entertainment District, as set forth in Section 2.6 herein.

“Termination of Lease and Right of Reversion” means the Termination of Lease and Right of Reversion (Parking Lot A, the Snippet and Nolan Ryan Expressway) in the form and substance attached hereto as Exhibit I and made a part hereof.

“Third Amendment to the Existing Ballpark Lease” means the Third Amendment to Ballpark Lease Agreement in the form and substance attached hereto as Exhibit I and made a part hereof.

“Trustee” means the nationally recognized trust department of a federally chartered banking institution selected by the City and approved by the Tenant and having a principal corporate trust office located in Tarrant County, Texas, or in Dallas County, Texas, and any co-trustee or successor appointed, qualified and then acting under the provisions of the Indentures.

“Venue Project Fund” means the fund by that name required by the Act created and held by the City.

ARTICLE II

FUNDING OF PROJECT COSTS

Section 2.1. The Ballpark Costs.

(a) The Project Costs shall include without limitation the following:

(i) acquisition and preparation costs of the Ballpark site, including without limitation all environmental remediation, if any, necessary with respect to the Ballpark, and the cost of physical improvements, landscaping and security for existing facilities

that will be located on property immediately physically adjacent to the Ballpark that are permitted under the Act, but not including the costs of development or construction of Texas Live!;

(ii) land planning, design, architectural and engineering costs incurred by the Tenant or TeamCo for preparation of plans, specifications and designs for the Ballpark and for appropriate construction oversight and assessments by the Architect and engineers;

(iii) costs incurred by the Tenant or TeamCo to construct, equip and furnish the Ballpark including the costs of water, sewer, drainage and street improvements necessary to serve the Ballpark and including parking facilities adjacent to the Ballpark;

(iv) environmental assessments covering the Ballpark, and covering the land adjacent to the Ballpark site (and assessments of costs if remediation is needed or required on any portion of the Ballpark or on any portion of adjacent land which, without such remediation, may adversely affect any portion of the Ballpark);

(v) soil conditions reports and evaluation of soil removal, reclamation, fill and improvements requirements;

(vi) all on-site and off-site work to cause utilities to be available at the Ballpark, utility relocation and street abandonment;

(vii) zoning and land use issues and confirmation that all zoning and land use ordinances, codes and laws allow the development and construction of the Ballpark as contemplated by this Agreement, and/or the availability of variances and special use permits for any non-compliance);

(viii) the removal of existing liens, easements and other encumbrances imposed upon or otherwise affecting the Ballpark, excluding any existing liens for which the Tenant, and/or its Affiliates, including but not limited to Rangers Baseball Real Estate LLC and BPP, is the mortgagor or otherwise responsible party;

(ix) determination of any special development restrictions (such as FAA approval, archeological and historical significance requirements or assessments, etc.);

(x) all other due diligence performed or to be performed by the parties pertaining to the Ballpark (such as, by means of example only but without limitation, impact statements and impact fee requirements, traffic studies and transportation requirements (local and regional), all potential infrastructure, utility, parking, signage, and drainage needs and requirements);

(xi) permit, license and inspection fees incurred after the date of the Master Agreement by the Tenant or TeamCo for the Ballpark;

(xii) fees and expenses of the General Contractor, subcontractors, consultants and similar persons incurred after the date of the Master Agreement by the Tenant or

TeamCo directly or indirectly in connection with the planning, design, engineering, construction, equipping and furnishing of the Ballpark;

(xiii) costs incurred after the date of the Master Agreement by the Tenant or TeamCo in connection with removing, or providing security for, any material lien or encumbrance that arose in connection with the design, engineering, construction, equipping or furnishing of the Ballpark;

(xiv) reasonable general and administrative expenses of the Tenant or TeamCo allocable to the administration or oversight of the construction of the Ballpark and incurred after the date of the Master Agreement by the Tenant or TeamCo, directly or indirectly, in connection with the planning, design, engineering, construction, equipping and furnishing of the Ballpark;

(xv) all other out-of-pocket costs of the City, the Tenant or TeamCo paid out or incurred prior to or after the financing stage for the Ballpark that were expended for and that are attributable to the Initial Construction Costs of the Ballpark; and

(xvi) such other costs and expenses as the parties hereto shall mutually approve in writing; provided however, that the City Contribution may only be used for the Initial Construction Costs of the Ballpark.

Section 2.2. Project Budget and Master Plan.

(a) As soon as practicable after the Tenant determines that the Architect's preliminary or conceptual plans for the Ballpark are satisfactory and in conformity with the Ballpark Elements, and after an initial estimate of total Project Costs has been determined based on such plans, which estimate must also be satisfactory to the Tenant, the Tenant shall deliver to the City (i) the Master Plans that reasonably identify the proposed locations of the parking tracts and of the Ballpark, the parking facilities and any necessary water, sewer, drainage and street improvements on the Ballpark site, and (ii) the Ballpark Budget. The Tenant shall deliver to the City any updates to the Master Plans and the Ballpark Budget that are delivered to the Tenant.

(b) The City and the Tenant currently estimate that the Ballpark Budget will be approximately \$1,000,000,000 (One Billion Dollars), subject to subsequent adjustments based on the ultimate land preparation costs and the completion of final design and architectural plans.

(c) No material change shall be made by the Tenant in the Ballpark Budget from that submitted to the City pursuant to this section unless (i) such change is disclosed to the City, (ii) such change does not affect the suitability of the Ballpark as a Major League Baseball venue, and (iii) to the extent such change causes the Project Costs to exceed the sum available from the City Contribution, the SBL Proceeds, and the Tenant Contribution as provided herein, the Tenant, subject to the Tenant's acceptance of the revised Ballpark Budget, shall be responsible for any such Cost Overruns.

Section 2.3. City Project Costs Funding Commitment and Funding Sources.

(a) The City shall use its reasonable and best efforts to obtain funds from the issuance, sale, and delivery of one or more series of Special Tax Revenue Bonds (on a taxable or tax-exempt basis) in an aggregate amount that is net (after providing for the payment of issuance costs, the creation of reserves, and the deposit of capitalized interest, if any, and upon terms and conditions that conform to Applicable Law, and that are satisfactory to the City) sufficient to fund the full amount of the City Contribution.

(b) In the event the City is unable to issue its Special Tax Revenue Bonds by the City Funding Date in an amount that produces Net Bond Proceeds in an amount equal to the City Contribution less any Excess Tax Revenues deposited to the Excess Tax Revenue Account pursuant to Section 2.4, and the Tenant and the City have agreed to the issuance of the Special Tax Revenue Bonds in such amount as the City has notified the Tenant thereof pursuant to Section 4.1(a) herein, the City shall issue its Special Tax Revenue Bonds (which may include the refunding of Outstanding Bonds if not yet refunded pursuant to Section 2.4) in the amount that can be sold (given reasonable rates, reserves and other financing structures as determined by the City), as agreed by the Tenant pursuant to this Section (such amount, the "Reduced Bond Amount"), and pursuant to the terms of the Indentures authorizing the Special Tax Revenue Bonds. In such event, prior to marketing its Special Tax Revenue Bonds, the City shall (i) provide the Tenant with reasonably detailed information regarding the City's financing plans, including the contemplated structure of the Special Tax Revenue Bonds (including rates, reserves, and other financing structures); (ii) provide the Tenant with a reasonable opportunity to review and comment on such information; and (iii) give reasonable consideration to any comments received from the Tenant with respect thereto; provided, however that the City shall have no obligation to alter its financing plans, or to take any other action with respect thereto, in response to such comments. Pursuant to the provisions in the Indentures, Excess Tax Revenues shall be deposited to the Excess Tax Revenue Account up to an amount that, in combination with the Net Bond Proceeds, equals the City Contribution plus any Incurred Financing Costs; provided however, that if the amount deposited to the Excess Tax Revenue Account equals the Bond Proceeds Deficit prior to the expenditure of all of the net proceeds of the Reduced Bond Amount, then no additional Excess Tax Revenues shall be deposited to the Excess Tax Revenue Account and no Incurred Financing Costs shall be paid or reimbursed to the Tenant and TeamCo. Such Excess Tax Revenue Account shall be established pursuant to the provisions of the Indenture. Once the deposit of Excess Tax Revenues plus the net proceeds of the Reduced Bond Amount equals the City Contribution plus the Incurred Financing Costs, if any, such Excess Tax Revenues shall no longer be deposited to the Excess Tax Revenue Account but shall be used for the payment of debt service on or redemption of the Special Tax Revenue Bonds as set forth in the Indentures.

(c) The City Contribution shall be made only for payment or reimbursement of Project Costs related to the Initial Construction Costs of the Ballpark. Such Project Costs may not include any costs for which funds in the Venue Project Fund established pursuant to Section 334.042 of the Act may not be used.

(d) Notwithstanding the above, the issuance of debt is a governmental function subject to the discretion of the City Council of the City.

Section 2.4. Refunding of the Outstanding Bonds.

(a) If the City refunds the Outstanding Bonds prior to the City Bond Sale Date, the City shall provide in the indentures for the refunding for the deposit of Excess Tax Revenues to the Excess Tax Revenue Account from the closing date of the refunding bonds until the earlier of (i) the City Funding Date or (ii) termination of this Agreement. After such time period, Excess Tax Revenues shall no longer be deposited pursuant to this provision, and any additional deposit of Excess Tax Revenues to the Excess Tax Revenue Account shall be for the purpose set forth in Section 2.3(b) above, all as described in the indentures for the refunding bonds and the Special Tax Revenue Bonds. Funds deposited to the Excess Tax Revenue Account pursuant to this section shall be used to pay or reimburse the Tenant for the Initial Construction Costs of the Ballpark. The timing of such deposits to the Excess Tax Revenue Account shall be as set forth in the indenture for the refunding bonds.

(b) Any amounts of Excess Tax Revenues deposited to the Excess Tax Revenue Account pursuant to this Section 2.4 and used to pay or reimburse the Initial Construction Costs of the Ballpark shall be credited to the City as part of the City Contribution, and the required Net Bond Proceeds of the Special Tax Revenue Bonds issued by the City shall be net of all amounts deposited to the Excess Tax Revenue Account pursuant to this Section 2.4.

Section 2.5. Tenant's Project Costs Funding Commitment and Funding Sources.

(a) Thirty (30) days prior to the City Bond Sale Date, the Tenant shall provide, in a form reasonably acceptable to the City, evidence to the City and any bond insurer for the Special Tax Revenue Bonds or Incremental Funding Bonds, if applicable, that the Tenant has received a commitment or has closed on a private loan or financing to fund the entire amount of the Tenant Contribution including any deficit between the City Contribution and the Reduced Bond Amount less any Excess Tax Revenues deposited to the Excess Tax Revenue Account pursuant to Section 2.4 herein. For purposes of this section, the Tenant shall assume that no SBL Proceeds have been received. Any loan agreement for the Tenant Contribution shall have no conditions to funding other than those customarily included in similar financings. The Tenant shall use its reasonable and best efforts to obtain funds equal to the Tenant Contribution from commercial and private sources, including cash, equity, or third party contributions or financing upon reasonable terms and conditions that are acceptable to Tenant. The City and the Tenant agree to use good faith efforts to maintain the integrity of the Project Documents prior to the Tenant entering into its financing agreements. Each party will work to identify commercially reasonable changes to the Project Documents, if any, and the Tenant shall use good faith efforts to ensure that all lenders, investors or other parties to its financing shall have reviewed the Project Documents, as early in the process as possible and shall use good faith efforts to make only those changes or additions to the Project Documents authorized therein; provided, however, the City shall not be obligated to agree to any modification of any Project Document that materially and adversely modifies, alters, affects or impairs the City's rights under any Project Document.

(b) The Tenant may obtain and provide the Tenant Contribution and Cost Overruns from any source (except the City Funding Sources), including but not limited to the proceeds of the Incremental Funding Bonds, any revenue generated from the Ballpark, funds obtained from Major League Baseball, or third party contributions or financing; provided, however, that the

Tenant Contribution may not be funded with SBL Proceeds. With respect to any of the foregoing revenues (with the exception of the proceeds of the Incremental Funding Bonds), the Tenant may elect to contribute such funds to the Tenant Project Cost Account pursuant to Section 3.3 hereof.

Section 2.6. Tenant-Specific Costs.

The following Tenant-Specific Costs shall be credited as contributions to the City's Entertainment District such that the Tenant's total investment in the Entertainment District plus the Tenant Contribution, is at least equal to the City Contribution:

- (a) Any State of Texas or federal grants or funds for which the Tenant applies and the Ballpark qualifies.
- (b) Any parcels of the Land (up to an amount equal to 50 acres) contributed by the Tenant, its owners or any of their Affiliates, the fair market value of which parcels shall be credited to the Tenant as a contribution.
- (c) Costs incurred by the Tenant, its owner or any of their Affiliates in excess of \$100,000,000 for the development of Texas Live! and the related hotel development.
- (d) All costs incurred in decommissioning or repurposing Globe Life Park in Arlington, or any portion thereof.
- (e) Such other costs and expenses as the Parties hereto may mutually approve in writing.

Section 2.7. Tenant Contribution, Issuance of Incremental Funding Bonds.

(a) A portion of the Tenant Contribution toward the payment of a share of the Project Costs may be paid from the net proceeds of the Incremental Funding Bonds. At a future date, as requested by the Tenant to fund a portion of the Tenant Contribution, the City will pursue the necessary steps required by Applicable Law to authorize and issue Incremental Funding Bonds in such amount, and at the earliest practicable date, as municipal bond marketing and commercial banking conditions will permit. Notwithstanding the foregoing, any inability to issue Incremental Funding Bonds shall not in any manner reduce the amount of the Tenant Contribution.

(b) In order to market and sell Incremental Funding Bonds, the Tenant recognizes that it, or an acceptable designee, may be required to enter into reasonable additional agreements and/or take further reasonable actions to facilitate the marketing and sale of the Incremental Funding Bonds by the City.

(c) In order to market and sell Incremental Funding Bonds, the Tenant also recognizes that it may be required to pay Additional Rent to the City.

(d) It is understood and agreed that the Incremental Funding Bonds will be issued by the City under and in accordance with applicable rules of the Securities and Exchange Commission of the United States, and that the terms and conditions of the applicable Indentures

are subject to the mutual approval of the City and the Tenant. The disbursement of proceeds of the Incremental Funding Bonds shall be made pursuant to a Payment Certificate substantially in the form set forth in Exhibit N hereto.

ARTICLE III

CREATION AND CONTROL OF FUNDS, PAYMENT OF PROJECT COSTS

Section 3.1. City's Statutory and Indenture Funds.

(a) The City has established the Venue Project Fund as required by the Act, and shall maintain the same at its lawful depository bank, separate and apart from all other accounts and funds of the City. Money on deposit in the Venue Project Fund may be invested in accordance with Applicable Law. The Venue Project Fund shall be divided into such separate and distinct accounts as may be required to identify the specific sources and amounts of funds on deposit therein at all times. When and as required by the terms and provisions of the Indentures and by this Agreement, funds on deposit in the Venue Project Fund shall be deposited and/or transferred to various accounts therein or to other funds and accounts in order to assure the timely payment of the Special Tax Revenue Bonds and the Incremental Funding Bonds, if any, and to provide for the payment or reimbursement of Project Costs including those that are to be paid from the proceeds of Special Tax Revenue Bonds, or Incremental Funding Bonds, if any, in accordance with the Schedule of Projected Project Cost Expenditures.

(b) The City shall establish in the Indentures such funds and accounts as may be required by underwriters, investors, rating agencies, and credit providers, to the extent permitted by and consistent with the Act and other applicable law.

(c) The Indentures will be subject to the approval of the City and the Tenant prior to delivery of the Special Tax Revenue Bonds and the Incremental Funding Bonds, provided such approval shall not be unreasonably withheld, conditioned or delayed.

Section 3.2. Creation, Administration, and Funding of City Project Fund and City Project Cost Account.

(a) Pursuant to the Indentures, the City shall establish the City Project Fund. The City Project Fund shall consist of separate accounts as are necessary to comply with the Act and the terms and conditions of the Special Tax Revenue Bonds, the Incremental Funding Bonds and the Outstanding Bonds, and as are necessary for funding the payment of the City Contribution or the refunding of the Outstanding Bonds. The City Project Fund shall include (i) the City Project Cost Account, into which account the Net Bond Proceeds shall be deposited on the City Funding Date and out of which account funds shall be transferred to the Disbursement Account for payment or reimbursement of the City's portion of Project Costs pursuant to the procedure set forth in this Article, and (ii) other accounts as may be required in the proceedings authorizing the Special Tax Revenue Bonds and Incremental Funding Bonds, including without limitation, the City Debt Service Account.

(b) The City Project Cost Account shall not be commingled with any other funds of the City. The City acknowledges that the funds in the City Project Cost Account shall be

dedicated solely to the payment or reimbursement of Project Costs. The City Project Cost Account shall be administered and controlled (including signatory authority) by the City or a Trustee and funds in such account shall be disbursed in the manner provided in Section 3.5 and as set forth in the Indentures. Pending disbursement of funds in the City Project Cost Account, the City shall invest such funds only in investments permitted and authorized by applicable law and the City's investment policy as in effect from time to time. All income earned on such investments shall be deposited in, and shall become part of, the City Debt Service Account or the City Project Cost Account, at the option of the City.

(c) If funds remain in the City Project Cost Account after the completion of the Ballpark and the payment of all Project Costs pursuant to the terms hereof, then such funds shall be utilized by the City for the purpose of paying or retiring the Special Tax Revenue Bonds.

Section 3.3. Tenant Project Cost Account.

(a) The Tenant shall establish the Tenant Project Cost Account into which account the Tenant Contribution shall be deposited or, if applicable, each Tenant Deposit shall be deposited and into which account any subsequent contributions by the Tenant for Cost Overruns shall be deposited. The Tenant acknowledges that funds in the Tenant Project Cost Account shall be dedicated solely to the payment of Project Costs including Cost Overruns except as provided in Section 3.3(c). The Tenant Project Cost Account shall be administered and controlled (including signatory authority) by the Tenant and funds in such account shall be disbursed by the Tenant in the manner provided in Section 3.5. Pending disbursement of funds in the Tenant Project Cost Account, the Tenant may invest all or any portion of such funds in any investment authorized by applicable law. All income earned on such investment shall be deposited in and should become part of the Tenant Project Cost Account.

(b) The Tenant shall deposit sufficient funds in the Tenant Project Cost Account to pay the Tenant's portion of any such Project Costs including Cost Overruns contemplated by such Payment Certificate as provided in Section 3.5.

(c) If funds remain in the Tenant Project Cost Account after the completion of the Ballpark and the payment of all Project Costs pursuant to the terms hereof, then such funds shall thereafter be the exclusive property of the Tenant and shall be available for use by the Tenant for any purposes as determined by the Tenant.

Section 3.4. Disbursement Account.

The Tenant shall establish the Disbursement Account, into which account funds shall be transferred from the City Project Cost Account or the Excess Tax Revenue Account, if any, and out of which accounts Project Costs payable or reimbursable from the City Contribution shall be paid all pursuant to Section 3.5; provided, however, that funds transferred from the City Project Cost Account or Excess Tax Revenue Account may not be used to pay for or reimburse Cost Overruns or Tenant-Specific Costs. The parties acknowledge that the Disbursement Account is a trust account and shall be dedicated solely to the payment or reimbursement of Project Costs. The Disbursement Account shall not be commingled with any other City or Tenant funds. The

Disbursement Account shall be administered and controlled (including signatory authority) by the Tenant, subject to the disbursement procedures in Section 3.5 below.

Section 3.5. Disbursements To Pay or Reimburse Project Costs.

Funds shall be periodically disbursed from the City Project Cost Account or the Excess Tax Revenue Account, as applicable, to the Disbursement Account by the City pursuant to the Indenture and from the Tenant Project Cost Account by the Tenant, in direct payment or reimbursement of such Project Costs, in accordance with the following provisions:

(a) The Tenant shall promptly disburse funds from the Disbursement Account or Tenant Project Cost Account, as applicable, to pay or reimburse each Project Cost, provided that a Payment Certificate, in substantially the form set forth in Exhibit F hereto, is submitted and approved.

(b) If a Payment Certificate is otherwise completed and executed, and is submitted to the City Designee, the City Designee shall promptly prepare and submit, through normal payment procedures established for withdrawals from the City Project Cost Account and/or the Excess Tax Revenue Account, an appropriate directive for payment to the Disbursement Account of the amount certified in the Payment Certificate for disbursement by the City, such payment to be made no more than 15 days following submission of a completed Payment Certificate. The City shall cause the City Designee or his designee to respond promptly and expeditiously to all requests by the Tenant or its designee relating to Payment Certificates.

(c) No Excess Tax Revenues shall be disbursed from the Excess Tax Revenue Account until (i) the Tenant has expended the Initial Tenant Contribution and (ii) the City has received confirmation that an initial guaranteed maximum price has been established in the GMP Contract.

(d) The Tenant shall provide the City with a report of all Project Costs, including Cost Overruns, paid from the Disbursement Account and the Tenant Project Cost Account on a quarterly basis, as well as all payments made from SBL Proceeds. Such report shall identify the Project Costs paid by the City Contribution, the Project Costs paid from the SBL Proceeds and the Project Costs, including Costs Overruns, paid by the Tenant Contribution.

(e) With respect to each Payment Certificate (i) until such time as the Special Tax Revenue Bonds are issued or Excess Tax Revenues are eligible for disbursement pursuant to Section 3.5(c), the Tenant shall promptly deposit funds to the Tenant Project Cost Account in an amount equal to 100% of the Project Costs then due, which Project Costs are to be paid pursuant to each such Payment Certificate up to an aggregate amount equal to the Initial Tenant Contribution unless the Tenant, in its sole discretion, contributes amounts in excess of the Initial Tenant Contribution; (ii) following the issuance of the Special Tax Revenue Bonds and/or the satisfaction of the conditions set forth in Section 3.5(c), the City shall promptly transfer funds from the City Project Cost Account or the Excess Tax Revenue Account, as applicable, to the Disbursement Account in an amount equal to 100% of the Project Costs and any Incurred Financing Costs, if any, then due, which Project Costs and Incurred Financing Costs, if any, are to be paid pursuant to each such Payment Certificate until such time as all funds in the City

Project Cost Account and the Excess Tax Revenue Account have been contributed in full and no additional deposits to the Excess Tax Revenue Account are due pursuant to the Indenture; and (iii) thereafter, the Tenant shall then deposit funds to the Tenant Project Cost Account in amounts equal to 100% of the remaining Project Costs then due (including, without limitation, all Cost Overruns) to be paid pursuant to each such Payment Certificate. Notwithstanding the above, Excess Tax Revenues deposited to the Disbursement Account pursuant to this Section 3.5(e) may be insufficient to pay 100% of Project Costs then due. In such case, the Tenant shall deposit the deficit due to the Tenant Project Cost Account in order to pay Project Costs the due.

(f) In the event that the Excess Tax Revenues are deposited to the Excess Tax Revenue Account pursuant to Sections 2.3 or 2.4 herein, funds in the Excess Tax Revenue Account shall be deposited to the Disbursement Account pursuant to a completed Payment Certificate, in the same manner as funds are transferred from the City Project Cost Account.

(g) SBL Proceeds shall be used as and when available for the payment of Project Costs identified in a Payment Certificate, as set forth in the documents relating to the Stadium Builder Licenses.

Section 3.6. Rights to Audit.

(a) The Tenant shall have the right to audit, upon reasonable notice and at its own expense, all expenditures and financial records related to the financing of the City Contribution. Upon written request by the Tenant, the City shall give the Tenant access to all records controlled by, or in the direct or indirect possession of, the City (other than records subject to legitimate claims of attorney-client privilege) relating to the Venue Project Fund and the accounts therein, and shall permit the Tenant to review such records in connection with conducting a reasonable audit of such account.

(b) The City shall have the right to audit, upon reasonable notice, as an administrative expense under the Indentures, records with respect to the Tenant Project Cost Account and with respect to the expenditure of funds to pay Project Costs from the Disbursement Account. Upon written request by the City, the Tenant shall give the City access to those certain records controlled by, or in the direct or indirect possession of, the Tenant (other than records subject to legitimate claims of attorney-client privilege) with respect to the amounts deposited to and withdrawn from the Tenant Project Cost Account and with respect to the expenditure of funds to pay Project Costs from the Disbursement Account, and shall permit the City to review such records in connection with conducting a reasonable audit of such fund and account.

(c) The City and the Tenant shall reasonably cooperate with the assigned independent auditors (internal or external) in this regard, and shall retain and maintain all such records for at least 3 years from the date of completion of the Ballpark.

ARTICLE IV

CONDITIONS TO FUNDING

Section 4.1. Conditions to Tenant's Participation.

If any of the following Closing Conditions have not been satisfied, then the Tenant shall have the right and option to terminate this Agreement:

(a) No later than sixty (60) days prior to the City Bond Sale Date, (i) the Tenant must have received notification from the City's financial advisor of the amount of expected Net Bond Proceeds from the issuance of the Special Tax Revenue Bonds (such amount to be not more than \$500,000,000 less any Excess Tax Revenues deposited to the Excess Tax Revenue Account pursuant to Section 2.4 herein), (ii) the Tenant shall have notified the City that such amount of Net Bond Proceeds is acceptable to the Tenant and (iii) the Tenant shall have demonstrated its ability to finance the Tenant Contribution as set forth in Section 4.2(a) below, based on the Net Bond Proceeds expected from the issuance of the Special Tax Revenue Bonds.

(b) No later than 30 days prior to the City Bond Sale Date, the Ballpark Budget shall not reflect that the Project Costs exceed \$1,200,000,000; provided, however, that the Tenant shall not terminate this Agreement pursuant to this provision without notifying the City and making a good faith effort to reduce the Project Costs. If the Project Costs are not reduced below \$1,200,000,000 and no additional funding source is available, this Agreement shall terminate at the expiration of 90 days from the date the notice is received.

(c) On and prior to the City Bond Sale Date, the City shall not have passed any legislation authorizing, and shall not have imposed, Targeted Taxes on the Tenant or its Affiliates related to the Ballpark, or on the Ballpark itself or on the Land.

(d) On or prior to November 30, 2017 (unless such date is mutually extended by the parties), the City shall have issued refunding bonds to defease the Outstanding Bonds with the terms of such refunding bonds providing for the distribution of Excess Tax Revenues to the Excess Tax Revenue Account as set forth in Section 2.4.

Section 4.2. Conditions to City's Participation.

If any of the following Closing Conditions have not been satisfied at least 30 days prior to the City Bond Sale Date, then City shall have the right and option to terminate this Agreement, to-wit

(a) The City must have received, in a form reasonably acceptable to the City, evidence that the Tenant has received a commitment or evidence of a closed loan to fund the entire amount of the Tenant Contribution (assuming, for purposes of this section, that no SBL Proceeds have been received), and that any loan agreement for the Tenant Contribution shall have no conditions to funding other than those customarily included in similar financings from reputable financial institutions, banks, or investment banking firms such that the Tenant will receive funds on a timely basis in order to comply with the Tenant Contribution funding requirements of this Agreement.

(b) The City, as advised by the City's financial advisor, shall have determined that under then current market conditions, the City is able to issue Special Tax Revenue Bonds in an amount acceptable to the City and to the Tenant pursuant to Section 4.1(a) above, under terms that are commercially reasonable to the City.

(c) The City must have received a copy of an executed GMP Contract which establishes a guaranteed maximum price for the construction of the Ballpark.

(d) The Tenant shall have delivered the Master Plans and Ballpark Budget.

ARTICLE V

TERMINATION EVENTS

Section 5.1. Termination Events.

This agreement shall terminate upon the occurrence of any of the following:

(a) Any termination right granted in either Section 4.1 or Section 4.2 of this Agreement has been exercised pursuant to Section 5.2 hereof.

(b) A default occurs and is continuing after the expiration of all applicable cure periods under any of the Project Documents or the Existing Ballpark Lease then in effect.

Section 5.2. Exercising Rights of Termination.

Any termination right granted in either Section 4.1 or Section 4.2 of this Agreement may be exercised by the Party having the right to terminate by delivering written notice to the other Party as required pursuant to Section 4.1 or Section 4.2 as applicable, but in any event by not later than 30 days prior to the City Bond Sale Date, whereupon subject to any express requirements of Section 4.1 or 4.2, as applicable, both Parties shall be released from this Agreement without further responsibility or liability.

ARTICLE VI

ISSUANCE OF INCREMENTAL FUNDING BONDS, PARAMETERS OF INCREMENTAL FUNDING

Section 6.1. Issuance of Incremental Funding Bonds.

(a) The Tenant has requested the City to issue Incremental Funding Bonds to aid the Tenant in providing the Tenant Contribution. In connection with the Incremental Funding Bonds issued by the City, the Tenant shall remit to the City Parking Tax revenues and Admissions Tax revenues, and, if necessary to make the issuance of Incremental Funding Bonds financially feasible, the Tenant shall make Additional Rent payments. The City will pledge all of the Incremental Taxes and Additional Rent, if necessary, as the payment of and as the security for the Incremental Funding Bonds, and will use its good faith efforts to issue taxable bonds secured solely by the Incremental Taxes and Additional Rent, if necessary (and any other revenues

determined by the Tenant and agreed to by the City), as soon as is reasonably practicable if the Incremental Funding Bonds can be issued with an investment grade rating on financially reasonable terms to the City; provided, however, such Incremental Funding Bonds shall not be required to have received any Investment Grade Rating if the Incremental Funding Bonds are privately placed with an insurance company and the City is provided with evidence satisfactory to the City that the Incremental Funding Bonds will receive (a) a private placement number issued by Standard & Poor's CUSIP Service Bureau (in cooperation with the SVO) and (b) a credit quality designation of either SVO 1 (or the equivalent) or SVO 2 (or the equivalent) from the SVO; and provided, further, that if the credit quality designation actually received from the SVO is SVO 3 (or the equivalent) or lower, the Tenant will promptly (i) attempt to obtain an Investment Grade Rating with respect to the Incremental Funding Bonds, or (ii) if it is not possible on commercially reasonable terms to obtain such an Investment Grade Rating, procure the issuance by an Acceptable Bond Insurer of a bond insurance policy guarantying the payment of regularly scheduled debt service on the Incremental Funding Bonds. Bonds issued as part of the Incremental Funding Bonds, if any, shall not be secured by or payable from any portion of the Sales Tax, the Hotel Occupancy Tax, the Motor Vehicle Rental Tax, or the Base Rent; or by any other funds or resources of the City.

(b) Incremental Funding Bonds shall be issued in accordance with the requirements of the Act and other Applicable Law and in a form and on terms acceptable to the City and the Tenant.

(c) To the extent the net proceeds of such Incremental Funding Bonds constitute a part of the Tenant Contribution for purposes of Section 4.2(a), the City must approve the terms and structure of the Incremental Funding Bonds and determine, in its sole discretion, the proceeds of the Incremental Funding Bonds expected to be available to count toward the Tenant Contribution.

(d) Notwithstanding the above, the issuance of debt is a governmental function subject to the discretion of the City Council of the City.

Section 6.2. Collection and Calculation of Incremental Funding.

(a) In connection with any Incremental Funding Bonds, the City shall levy, and the Tenant shall collect and remit or shall cause TeamCo and the other users of the Ballpark to collect and remit the proceeds from, the Incremental Taxes as provided in the Act. The Incremental Taxes shall be imposed and collected throughout the period during which any Incremental Funding Bonds are outstanding and unpaid. Pursuant to the Indentures for the Incremental Funding Bonds, any proceeds from the Incremental Taxes that are not required for the annual debt service payments, reserve fund deposits or administrative expenses on the Incremental Funding Bonds shall be available to pay Operations and Maintenance Costs.

(b) The Tenant shall assist the City and the users of the Ballpark to calculate the Incremental Taxes and report to the City in a format reasonably acceptable to the City and from time to time as the City may reasonably request.

Section 6.3. Reserved.

Section 6.4. Restricted Application of Parking Tax.

It is hereby acknowledged and agreed that for all events at the Ballpark, no Parking Tax or surcharge will be imposed on the following motor vehicles, so long as the exemptions identified below result in only a de minimis loss of Parking Tax revenue and would not materially negatively impact the Parking Tax revenues available to pay debt service on the Incremental Funding Bonds.

(i) any motor vehicle of any officials, employees, staff members, service providers, volunteers or other authorized representatives of event sponsors and public agencies (including public safety, law enforcement and other public entities and agencies) as well as invitees of the Tenant (other than those invitees entering the Ballpark with a paid ticket at an event), provided the number of any such vehicles parking at any such event shall be limited to a number that is customary for any such event or purpose and otherwise reasonable in all respects and provided that such persons are participating in such event at the Ballpark for such purpose, to transact business at such event or are otherwise undertaking official functions or duties at such event or at the Ballpark;

(ii) any motor vehicles that enter the Ballpark under circumstances that allow for free or complimentary parking passes, at Tenant's discretion; and

(iii) any employees, officials, or officers of the Tenant, as the case may be.

Section 6.5. Refinancing or Restructuring.

The City shall refinance or restructure the Incremental Funding Bonds, once issued, to the extent permitted by the applicable Indentures, if requested by the Tenant and mutually approved by Tenant and the City, which approval shall not be unreasonably withheld.

ARTICLE VII

MISCELLANEOUS

Section 7.1. MLB Approval.

The Tenant represents that all approvals, if any, have been received by Major League Baseball under MLB Rules and Regulations.

Section 7.2. SBL Proceeds.

The City will cooperate with the Tenant to issue the Stadium Builder Licenses. The SBL Proceeds shall be deposited into a segregated City account for the payment or reimbursement of the Initial Construction Costs or Operations and Maintenance Costs of the Ballpark, as set forth in the documents relating to the Stadium Builder Licenses. The SBL Proceeds shall not count toward the Tenant Contribution.

Section 7.3. Notices.

Any notice to be given or to be served in connection with this Agreement must be in writing, and may be given by (i) actual hand delivery by a commercial courier that obtains a written receipt from the receiving Party, (ii) overnight delivery by a nationally recognized overnight courier service (such as FedEx or UPS) or (iii) certified or registered mail, return receipt requested, postage pre-paid and shall be deemed to have been given and received either (y) upon actual delivery (if delivered by subsection (i) or (ii) above) or (z) forty-eight (48) hours after a certified or registered letter containing such notice, properly addressed, with postage prepaid is deposited in the United States mail, addressed as follows:

If to the Tenant:

Rangers Stadium Company LLC
1000 Ballpark Way, Suite 400
Arlington, Texas 76011
Attn: Rob Matwick, Executive Vice-
President of Business Operations
Copy to: Katie Pothier, General Counsel

If to the City:

City of Arlington City Hall
101 West Abram
Arlington, Texas 76010
Attention: City Manager

With copies to:

City of Arlington City Attorney
201 E. Abram Street
Arlington, Texas 76010

Section 7.4. Modifications.

No subsequent agreement amending, supplementing, modifying, waiving or in any way relating to the subject matter of this Agreement shall be effective unless set forth in a written instrument making specific reference to this Agreement signed by the City and Tenant. No waiver of any breach of this Agreement shall be construed as an implied amendment or agreement to amend any provision of this Agreement.

Section 7.5. Descriptive Headings.

The descriptive headings of this Agreement are inserted for convenience in reference only and do not in any way limit or amplify the terms and provisions of this Agreement.

Section 7.6. Partial Invalidity.

If any term, provision, condition or covenant of this Agreement or the application thereof to any Party or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this Agreement, or the application of such term, provisions, condition or covenant

to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

Section 7.7. Interpretation.

Nothing contained herein shall be deemed or construed by the Parties hereto or by any third party as creating the relationship of principal and agent or of partnership or of joint venture or of any association between the City and Tenant, it being understood and agreed that none of the provisions contained herein or any acts of the City hereunder shall be deemed to create any relationship between the City other than as specifically set forth in the Act.

Section 7.8. Counterparts.

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument. Signatures transmitted by facsimile shall be treated as originals for all purposes hereof.

Section 7.9. Effectiveness of Actions.

Each and every one of the actions required to be taken on the Project Document Closing Date, and any and all substantive and procedural actions required in connection therewith, shall be deemed and conclusively presumed for all legal purposes to have been taken concurrently and simultaneously, irrespective of the actual time or date on which such actions were taken, and no such action shall be deemed to be final until all necessary actions have been taken and accomplished, failing which, the completed actions shall be null and void. Otherwise, if all appropriate and required actions are taken at the Project Document Closing, the Project Documents shall be in full force and effect according to their terms.

Section 7.10. Exclusive Dealing. During the term of this Agreement and through completion of construction of the Ballpark, neither the Tenant nor TeamCo shall solicit or accept any proposal of, or enter into any plan or agreement with, any county or any city other than the City regarding any project or facility having a purpose similar to the Ballpark.

(Execution and Signature Page Follows)

EXECUTED and effective on the date of execution as set forth above.

ATTEST:

CITY OF ARLINGTON

Marg W. Supina

By: [Signature]
City Manager

APPROVED AS TO FORM:

[Signature]

RANGERS STADIUM COMPANY,
a Delaware limited liability company

By: [Signature]
Name: Rob Matwicz
Title: Executive VP

Exhibits:

- Exhibit A – Non-Relocation Agreement
- Exhibit B – Lease
- Exhibit C – Lease Guaranty
- Exhibit D – Purchase Option Agreement
- Exhibit E – Amended and Restated Development Property Lease
- Exhibit F – Amended and Restated Development Option Agreement
- Exhibit G – Second Amended and Restated Convention Center Parking Agreement
- Exhibit H – Stonegate, FGJN, and Division Street Land Lease Agreement
- Exhibit I – Third Amendment to the Existing Ballpark Lease
- Exhibit J – First Amendment to Centerfield Office Building Lease
- Exhibit K – Termination of Lease and Right of Reversion
- Exhibit L – Ballpark Elements
- Exhibit M – Form of Payment Certificate

EXHIBIT A
NON-RELOCATION AGREEMENT

EXHIBIT B

LEASE

EXHIBIT C
LEASE GUARANTY

EXHIBIT D
PURCHASE OPTION AGREEMENT

EXHIBIT E

AMENDED AND RESTATED DEVELOPMENT PROPERTY LEASE

EXHIBIT F

AMENDED AND RESTATED DEVELOPMENT OPTION AGREEMENT

EXHIBIT G

SECOND AMENDED AND RESTATED CONVENTION CENTER PARKING
AGREEMENT

EXHIBIT H

STONEGATE, FGJN, AND DIVISION STREET LAND LEASE AGREEMENT

EXHIBIT I

THIRD AMENDMENT TO THE EXISTING BALLPARK LEASE

EXHIBIT J

FIRST AMENDMENT TO CENTERFIELD OFFICE BUILDING LEASE

EXHIBIT K

TERMINATION OF LEASE AND RIGHT OF REVERSION

EXHIBIT L

BALLPARK ELEMENTS

- A new, flexible, retractable roof, multi-functional stadium, coliseum, sports, special events, concert and community and entertainment venue project.
- First class-facility on a par with other comparably-sized, municipally-owned, multi-use outdoor/indoor sports and community venue projects recently constructed in North America
- Designed to accommodate approximately 40,000 people for indoor or outdoor professional, college, and amateur baseball games
- Office space sufficient for the Tenant's needs
- Reasonably capable of temporary reconfiguration for other types of indoor or outdoor sports and entertainment events
- Luxury suites
- Multiple levels of seating
- At least 2 bullpens, at least 2 indoor locker rooms, indoor training facilities
- Elevators and escalators
- Food service preparation and service facilities
- Baseball playing field, consistent with MLB standards
- Multiple areas for merchandise display and sales
- Bar and restaurant facilities, including dine-in areas
- ADA compliant
- Player and baseball staff areas
- Media area(s), such as press box and area(s) for radio/television production
- Shipping and receiving area(s)
- Trash hauling and warehouse storage area(s)
- Air conditioning system

EXHIBIT M

FORM OF PAYMENT CERTIFICATE

No. _____

The undersigned (the "Tenant") hereby requests from the City authorization for payment or reimbursement, from the account or accounts identified below, of Project Costs or Incurred Financing Costs pursuant to the terms of the Indenture in the total amount of \$ _____, all as more fully described in Attachment I hereto. In connection with this Payment Certificate, the undersigned hereby represents and warrants to the City as follows:

1. He (she) is a duly authorized officer of the Tenant qualified to execute this Payment Certificate for payment to or on behalf of the Tenant and is knowledgeable as to the matters set forth herein.

2. All of the Project Costs or Incurred Financing Costs for which payment or reimbursement is requested hereby are actual Project Costs or Incurred Financing Costs incurred. True and correct copies of each invoice received by the Tenant relating to any such Project Costs, identifying the payee, the goods, services and/or materials provided by such payee and the total amount due and owing (or to be reimbursed) for the identified Project Costs are set forth in Attachment I hereto or, documentation of paid Incurred Financing Costs is attached, as applicable. The items for which payment is requested have not been the subject of any prior payment request submitted to the City or, if previously requested, no disbursement was made with respect thereto.

3. In the case of any Project Cost covered by such Payment Certificate that was incurred in connection with services, goods or materials provided by the General Contractor or any other contractor, such Payment Certificate has been executed by the Architect or an independent engineer for the purpose of confirming that such services, goods or materials have been satisfactorily delivered or completed as the case may be;

4. All conditions set forth in the Ballpark Funding and Closing Agreement for the payment or reimbursement hereby requested have been satisfied, and the Tenant is in compliance with the terms and provisions of the Ballpark Funding and Closing Agreement.

5. Attached to Attachment I is a true and correct copy of a bills paid affidavit evidencing that any contractor or subcontractor having performed work on the Projects described in Attachment I has been paid in full for all work completed through the previous Payment Certificate.

6. All Project Costs submitted pursuant to this Payment Certificate do not include contract retentions (other than those that are due, or which have been released to subcontractors that have completed work early as allowed by [the GMP Contract]).

7. The payment or reimbursement requested hereunder in the amount of \$ _____ should be transferred to the Disbursement Account from the [City Project Cost Account] [Excess Tax Revenue Account].

8. If this Payment Certificate is for the payment or reimbursement of Project Costs attributable to costs under a construction contract, attached hereto are the required releases by the General Contractor of materialman's and mechanic's liens for work for which payment or reimbursement is hereby requested.

9. If amounts requested in this Payment Certificate were incurred under contracts providing for the fees of the Tenant or its employees or agents, such amounts have been certified by an independent auditor and the costs and fees reflected in the invoices attached hereto in Attachment I are consistent with the terms of the written contract to which such costs were incurred.

RANGERS STADIUM COMPANY LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____
Date: _____

Approved: City of Arlington

By: _____
Name: _____
Title: _____
Date: _____