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LEASE AGREEMENT

THIS AGREEMENT, made and entered into this 10th day of April, 1999, by and between the CITY OF GREAT FALLS, a municipal corporation, hereinafter called the "City", and the GREAT FALLS BASEBALL CLUB, INC., a corporation with principal place of business at Great Falls, Montana, hereinafter called the "Club".

WITNESSETH:

That the City, for and in consideration of the rents to be paid and the covenants to be performed by the Club, does hereby demise, lease, and let unto the Club the following described property in Great Falls, Cascade County, Montana, to-wit:

That portion of the South Half of the Northwest Quarter (S1/2NW1/4) of Section Five (5) Township Twenty (20) North of Range Four (4) East, Montana Meridian, commonly known and referred to as American Legion Baseball Park, including the playing field and all improvements and equipment on or in any way connected therewith, together with the parking space area immediately adjoining said baseball park. The attached drawing showing the land which is included for stadium parking in the lease agreement includes the following:

- a) All adjacent parking around the south and west sides of the stadium will be included; this includes both paved, unpaved and graveled existing parking;
- b) The parking behind the left field scoreboard and fence will be dual purpose parking designated as overflow parking for the R.O. Speck Golf Course and the stadium;
- c) Also, stadium parking will include the land between the street adjacent to the north side of the Pasta plant and northerly to the now graveled new road to the golf course which is near and roughly parallels River Drive.

TERM OF LEASE:

To have and to hold the above-described premises for and during the full term of Fifty (50) years from and after the 1st day of April 1999, to and including the 31st day of March, 2049.

RENTAL:

In consideration therefore, the Club agrees to pay to the City the sum of Eight Thousand Dollars (\$8,000) on or before November 1, 1999 and like amount on or before November 1st of the following four (4) years beginning year six (6); through year ten (10) the rent amount will increase ten percent (10%) over the previous five (5) year period; each additional five (5) year period the rent will increase by ten percent (10%) over the previous five (5) year period until the lease expires. The Club will make a major renovation by the year 2007 to the baseball park in an amount of at least One Million Dollars (\$1,000,000) to expand the concourse and improve all aspects of the ballpark to be in compliance with the NAPBL and Major League Baseball Agreement for adequacy of facilities for this call of minor league operations. If major renovation has not started or been completed by end of year 2007, it is mutually agreed that this lease will be renegotiated.

In addition, the Club agrees to perform a minimum of Two Thousand Five Hundred Dollars (\$2,500) of improvements or maintenance to the premises and/or field conditions each year. This requirement shall be considered met if a minimum of Twenty Five Thousand Dollars (\$25,000) is expended during each consecutive ten (10) year period of the contract until expiration.

The Club agrees to maintain full and complete financial records of its operation for a period of seven (7) years after the conclusion of any leased year. The City shall be entitled, upon reasonable notice (but in no event more than once per year) to receive a copy of such a financial statement of the Club's income and expenses if requested.

SPECIAL PERMIT:

The Club is hereby authorized to obtain a permit to serve beer or wine on said premises upon completing the application therefore and securing the necessary licenses and the necessary liquor liability insurance.

COVENANTS OF THE CLUB:

The Club does hereby covenant and agree with the City that the Club will:

1. Use and occupy said premises in a careful and proper manner and not commit any waste therein;
2. Not use or occupy said premises for any unlawful purpose; and will conform to and obey all present and future laws, ordinances, and all rules and regulations of all governmental authorities or agencies, respecting the use and occupation of the premises;
3. Not assign the lease, nor sublet said premises, nor any part thereof, without the written consent of the City. The City shall require no more than sixty (60) days for such approval upon written request by the Club and shall not unreasonably withhold such approval;
4. Not use or occupy said premises, or permit the same to be used or occupied, for any purpose deemed extra hazardous on account of fire or otherwise. Fireworks will be allowed upon approval of the authority having jurisdiction;
5. The Club shall make no alterations, changes or revamping, remodeling or capital improvements in or to the premises, without prior written permit signed by the Park and Recreation Director, and in addition thereto, shall obtain all permits required for such work under City ordinance. Approvals of any such improvements/changes must be granted or rejected by the City within thirty (30) days of written notice by the Club for such work, or the work may proceed the same as if such approval was received. Approval for such proposed work shall not be unreasonably withheld. Any such alterations or additions shall be the sole responsibility of the Club inclusive of any and all financial, material, or labor considerations and will become the property of the City upon termination of this or any subsequent lease;
6. Permit the City to enter upon the said premises at all reasonable times to examine the condition of same;
7. Indemnify and save the City harmless from and against any loss, damage and liability occasioned by, growing out of, or arising or resulting from any default hereunder, or any tortious or negligent act on the part of the Club or its agents or employees, and for such purpose the Club shall procure and maintain in full force and effect during the term of this agreement, commercial general liability insurance in a reliable company or companies including but not limited to product and liquor liability with minimum policy limit of \$1,000,000 single limit per occurrence; \$2,000,000 aggregate single limit per occurrence; and naming the City of Great Falls as an additional insured party on the policy to be evidenced by a certificate of insurance presented to the Park and Recreation Director on or before April 1st of each year. The City and the Club hereby grant to each other, on behalf of any insurance company providing insurance under this agreement, a waiver of any right of subrogation which any insurer or party may acquire against the other party by virtue of payment of any loss under any insurance policy.
8. Pay for the use and maintenance of utility services on the premises, including gas, electricity, water, and sanitation;
9. Conduct ordinary day-to-day maintenance and repair necessary to keep both the interior and exterior of

- the premises in a good state of repair and acceptable condition;
10. Pay for necessary janitorial and maintenance services and maintain the grandstand, bleachers, rest rooms and other areas of the leased premises in a sanitary and orderly condition;
 11. Keep the walkways and parking space adjacent to the premises in a clean and safe condition;
 12. Permit the American Legion Baseball programs, including the Electrics and Stallions, to use the premises including practices and games, insofar as it is possible to do so without conflicting with the practice and regular scheduling of the Great Falls Dodgers, and provided that such use may be conditioned upon their payment of a proportionate share of the maintenance and utilities for the premises during such time as same is being used by them, the amount of reimbursement from the Electrics and Stallions to the Club is agreed to be Two Thousand Five Hundred Dollars (\$2,500) each per year for scheduled dates as agreed on by both parties. The American Legion Baseball programs further agree to pay an additional proportionate amount as the City increases the rental amount to the Club. The yearly remittance will be due in two equal payments: the first payment will be due by July 1st of each year and the second payment due by September 1st of each year. For said amount, the Club will provide groundskeeping, cleanup, scoreboard operator, utilities, all park-related supplies, miscellaneous repairs and daily maintenance. Damage done to the facility other than from normal use will be repaired by the party/parties responsible for the damage, party being defined as scheduled user. The sharing of the premises shall be in accordance with the Special Conditions attached hereto and made a part hereof;
 13. Provide at the Club's expense, qualified persons to properly police the premises, spectators, and participants during such times as the premises are being used by the Club;
 14. Leave the premises at the expiration or prior termination of this lease and any renewal or extension thereof in as good condition as received, reasonable wear and tear alone excepted; and
 15. Be responsible for all damage to property, public or private, that may be caused by this operation in the performance of this agreement.

COVENANTS OF THE CITY:

The City does hereby covenant and agree with the Club that the City will:

1. Maintain a current, comprehensive fire insurance policy with extended coverage at replacement value on said premises during the term hereof. If a loss occurs the City will pay replacement costs after any applicable deductible is met by the Club;
2. Aerate once annually the turf area of the park;
3. The City will turn on all water lines to the premises and be responsible for all connecting and will drain and disconnect the same in the fall.
4. Allow the club to rename the stadium if a major sponsor is secured; however, the area and grounds will continue to be named "Legion Park"; Any "Legion Park" signage within fifty (50) feet of the stadium must be mutually agreed upon by the City and Club.

MUTUAL COVENANTS:

It is mutually agreed by and between the City and the Club that:

1. If the Club shall pay the rental as herein provided, and shall keep, observe and perform all of the other covenants of this lease by the Club to be kept, performed and observed, the Club shall and may, peaceably and quietly, have, hold and enjoy the said premises for the term aforesaid;
2. This lease and all the covenants and provisions herein contained shall inure to the benefit of and be binding

upon the successors and assigns of the parties hereto; provided, however, that no assignment by, from, through or under the Club in violation of any of the provisions hereof shall vest in the assigns any right, title or interest whatsoever;

3. Subject to the previous paragraph permitting use by the American Legion programs, the City reserves the right to determine who may use the premises outside use of the Club, and whether a charge will be made therefore; and with mutual consent of the Club. Provided, however, that the City's permission to use the premises shall not be unreasonably withheld under any circumstances except if it conflicts with Club or American legion use;
4. The Club may conduct, either directly or by contract with others, the usual concessions and souvenir sales, including the sale of beer and wine (but not other alcoholic beverages) on the premises and receive all revenues therefrom; and further the Club shall have the right to sell advertising space on the outfield fence inside the premises (except both sides of the scoreboard) and to receive and retain revenue therefrom, however, signs must meet City ordinance and receive approval from the City;
5. In the event that the Club sells or otherwise disposes of its interest in its professional minor league baseball franchise or fails to maintain a team in a professional baseball league which plays in this stadium, this lease may be forthwith terminated at the option of the City considering that the American Legion programs are also signatory to this agreement. In such an event, with just cause, the Club will have the option to terminate the lease by giving written notice to the City at least sixty (60) days prior to the start of the normal scheduled season opening game.
6. The park is owned and held by the City of Great Falls for the use and benefit of the general public and that should the City determine that said premises are needed for any purpose whatsoever, to be used by the general public or the public good, the city shall have the right and privilege of canceling and terminating this lease upon giving the Club four (4) years notice in writing of its intention so to cancel and/or terminate this lease. If such a termination is necessary, prior to the term of the lease, and such early termination is not caused by default of the Club, the City, during the first twenty-five (25) years of the lease term, shall provide the Club like-kind replacement of the complete baseball facilities or the replacement value of such facilities. The City and the Club may mutually agree on a combination of like-kind improvements and cash replacement value. Beginning in the twenty-sixth (26) year of the lease if termination is necessary, at no fault of the Club, the City shall provide like-kind improvements or cash replacement value or a combination of both, taking depreciation into account, which shall be determined in accordance with Generally Accepted Accounting principals (GAAP). Said monies from the City for improvements are to be available no later than two (2) years prior to the effective date of the lease termination, so that a new facility can be designed and built prior to or at the actual termination date. The City will exercise its best efforts to provide City-owned land for any new facility, comparable to the land currently being leased to the Club, to avoid additional costs associated with any relocation.
7. The Director of Park and Recreation or designated representative and a representative of the Club will meet annually in March to discuss issues related to this lease agreement, including but not limited to planned renovations or changes to the stadium and/or playing field, subletting of the premises, and approval of advertising signs. A representative of each American Legion program will be invited to the meeting if issues are applicable to their programs.
8. If the Club shall at any time be in default in the payment of rent herein reserved, or in the performance of any of the covenants or provisions of this lease, and the Club shall fail to remedy such default within fifteen (15) days after written notice thereof from the City, it shall be lawful for the City to enter upon the

premises, and again, have, repossess, and enjoy the same as if this lease had not been made, and thereupon this lease and everything herein contained on the part of the City to be done and performed shall cease and determine, without prejudice, however, to the right of the City to recover from the Club all rent due up to the time of such entry; in case of any such default and entry by the City, the City may re-let said premises for the remainder of said term for the highest rent obtainable, and may recover from the Club any deficiency between the amount so obtained and the rent herein reserved;

9. Any notice required to be given under this lease shall be in writing and may be served on either of the parties by mailing same in a sealed, postpaid envelope addressed to the City at the Civic Center, Great Falls, Montana, and to the Club at Box 1621, Great Falls, Montana, 59403 and by depositing such notice in any United States Post Office or letter receptacle, and which notice shall be deemed to have been made upon the date of mailing;
10. In the event of litigation to enforce, modify or interpret this agreement, this contract shall be interpreted in accordance with Montana law and jurisdiction will be in the courts of Montana;
11. There are no conditions to this agreement, either subsequent or precedent, except as set forth herein. This Agreement constitutes the entire agreement between the parties and no representations or warranties have been made by the City to the Club save those contained herein.

SPECIAL CONDITIONS

The following "Special Conditions" may be modified or deleted by the City prior to November 1 of each year, otherwise, they shall remain the same.

1. Both American Legion programs, the Electrics and the Stallions, will annually appoint a Liaison to represent them on the scheduling, coordinating and cancellation committees.
2. Scheduling Committee - A Scheduling Committee shall be comprised of the Director of Parks and Recreation, a Club representative, the Stallion liaison, and a Electric liaison legion representative. This committee shall confer at a designated date, time, and place set by the Director of Parks and Recreation to schedule all use dates for Legion Park. The Legion programs will be requested to provide to the committee all protected dates. It is understood that all protected dates cannot be guaranteed.
3. Coordinating Committee - A Coordinating Committee consisting of the Director of Parks and Recreation, a Stallion liaison, an Electric liaison and the Club representative will meet to discuss/consider common problems regarding any/all uses and major repairs of Legion Park. The meeting dates, time, and place will be coordinated by the Director of Parks and Recreation. Any of the assigned parties may request a scheduled meeting provided it is coordinated through the Director of Parks and Recreation.
4. Storage - Permit the Legion Program to have adequate storage on site. The location(s) to be assigned by Club.
5. Seating - There will be no restrictions as to seating during all games scheduled by the American Legion unless an area is determined unsafe or under construction/maintenance.
6. Cancellation Committee - A Cancellation Committee shall be composed of one Stallion liaison or representative, one Electric liaison or representative, a representative of the Club and a representative of the Parks and Recreation Department. The purpose of the committee is to determine and concur as to the field conditions in case of inclement weather. If a decision cannot be reached, the representative of the Park and Recreation Department will approve/deny the field conditions.
7. Tournament Play/Multiple Games - During tournament play/special events, the Club shall not allow Legion more than four (4) games per day to be played. All games not to exceed seven (7) innings in regulation.

On days where multiple games are played (more than one) all Legion games are not to exceed seven innings of regulation play except State or District tournament play if the National American Legion rules and regulations require nine innings. A field maintenance day will be granted prior and after scheduled tournament, unless circumstances dictate otherwise.

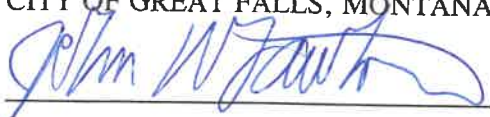
8. Practice - During practice sessions, only one Legion team can be scheduled to practice at the same time. This includes the batting tunnel/bullpen area. Consideration will be given for special practice sessions for both teams if adequate supervision is provided.
9. Groundskeeping/Cleanup - All groundskeeping and cleanup to be provided by the Club. Degree of groundskeeping/cleanup shall be the same for all games played within the park. In the event a Legion double header is scheduled or there is a tournament, only the first game of each scheduled date will there be groundskeeping (as defined as cleanup, dragging, chalking and field preparation). If the Legion desires additional groundskeeping, they are to come to an agreement with the Club as to the price on services to be rendered, or make arrangements with the Club to provide additional man power to perform this service under the direction of the clubs groundskeeper. Any price for service will be in addition to the amount of said rent in Article 12 of covenants of club.
10. Utilities - All utilities to be paid by the Club.
11. Concession - The Club will permit the American Legion Programs to run a concession area during all Legion-related games. All revenues shall be retained by the Legion Programs. The concession area constructed by the Electrics will continue to be under their jurisdiction, however, the Stallions may negotiate with the Electrics on Concession use, it will be independent of this agreement. Upon advance request by the Club and with the approval of the Electrics, this concession area will be available to the Club for a mutually agreeable fee.
12. American Legion will conform to and obey all present and future laws, ordinances, and all rules and regulations of all governmental authorities or agencies, respecting the use and occupation of the premises and concession.
13. American Legion programs, the Stallions & Electrics, will independently procure and maintain in full force and effect during the term of this agreement, commercial general liability insurance in a reliable company or companies with a minimum policy limit of \$1,000,000 single limit per occurrence; \$2,000,000 aggregate single limit per occurrence, including product liability if concessions are operated; and the city shall be named as a additional insured party on the policy to be evidenced by a certificate of insurance presented to the Park and Recreation Director on or before April 1st of each year. The City and the American Legion program hereby grant to each other, on behalf of any insurance company providing insurance under this agreement, a waiver of any right of subrogation which any insurer or party may acquire against the other party by virtue of payment of any loss under any insurance policy.

ATTEST



Peggy Bourne, City Clerk

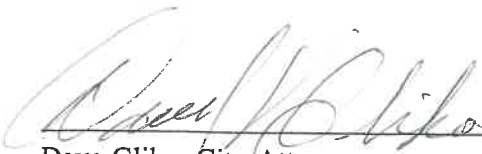
CITY OF GREAT FALLS, MONTANA



John Lawton, City Manager

(SEAL OF CITY)

Reviewed as to Form



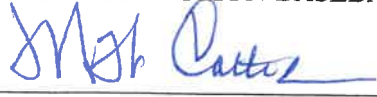
Dave Gliko, City Attorney

GREAT FALLS BASEBALL CLUB, INC.



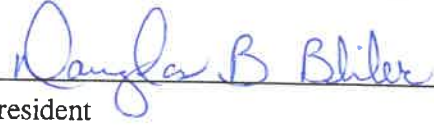
President

AMERICAN LEGION BASEBALL - STALLION



President

AMERICAN LEGION BASEBALL - ELECTRIC



President

STADIUM PARKING



ADDITIONAL STADIUM PARKING



GOLF COURSE/STADIUM PARKING



RIVER DRIVE NORTH

GOLF COURSE CLUB HOUSE



PASTA MONTANA

LEGION BALL FIELD

25th STREET NORTH

PROPOSED

ADDITIONS

