

**Executive Summary for  
Baseball Playing and Use Agreement\***  
**Minnesota Ballpark Authority and Minnesota Twins, LLC**

**Purpose of Document:**

To provide for the management, operation, maintenance and use of the Ballpark upon completion.

**Legal Basis:**

To further the terms of Minnesota Laws 2006, Chapter 257, which require the Minnesota Ballpark Authority to enter into a Use Agreement with the Minnesota Twins, LLC.

**Article 1.     **Defined Terms.****

Terms which are used throughout the Agreement are defined in this Article.

**Article 2.     **Baseball Playing and Non-Relocation Covenants.****

This Article provides that the Team shall, among other things: (i) maintain MLB membership and the Franchise in good standing; (ii) maintain the right to play baseball in Minneapolis; (iii) play all MLB games at the Ballpark; (iv) not vote in favor of or enter into any agreement or requirement that is inconsistent with this Agreement or the related agreements; (v) maintain headquarters and principal place of business in Hennepin County; (vi) own all ownership interests in the Tenant as well as control the Tenant; (vii) play all games at the Ballpark unless otherwise required by any Untenantability Period and subject to Section 11.4(d) of the Lease, except for up to 5 games played in a foreign county each year; (viii) enter into a sublease with the Tenant of the Lease for the Term; (ix) vacate or abandon the Ballpark; and (x) play all MLB games at Hubert H. Humphrey Metrodome while the Ballpark is under construction.

The Team shall not relocate the Franchise outside of Minneapolis during the Initial Term. The Team shall oppose Contraction. In the unlikely event that there is a dissolution, contraction or relocation (by Team or Franchise), all records are to be transferred to the State of Minnesota. If contraction occurs, a contraction fee equal to the lesser of: (i) 50% of gross proceeds to the Team from the MLB less certain additional funds contributed by the Team for Public Infrastructure; or (ii) losses suffered by the County for the unamortized public share of Ballpark Costs (based on 30-year amortization) less amounts recovered by the County, shall be paid by the Team. If a Sale occurs from May 27, 2006 to 10 years after Commencement Date, the Team shall give the Authority a 30-day notice prior to the Sale and the Authority shall receive a percentage (starting at 18% and to decrease each year by 1.8) of the gross sales price.

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\* This executive summary is for background purposes only. It is not a legally binding document, and it is not intended to be used, nor may it properly be used, to ascertain or represent the legal intent of any of the respective parties with respect to the agreement it summarizes.

Upon the Team receiving an offer for a Sale in the Initial Term, the Authority, the Metropolitan Sports Facilities Commission and the Governor of Minnesota shall have the option to purchase the Team or the Franchise through a corporation formed under Minnesota Statutes § 473.763.

**Article 3.      Assignment.**

This Article sets forth the restrictions on assignment of the Agreement by the Team. This Article also sets forth customary provisions regarding the conditions of and requirement related to such assignments by the Team. Finally, this Article provides that the Authority may assign or transfer the Agreement to any governmental authority as may be authorized by applicable laws and otherwise with the prior written consent of the Team.

**Article 4:      Access to Books and Records.**

Under this Article, the Team shall provide annually to the Authority various reporting information, including the following: (i) a list of maintenance costs incurred in the prior year and projected for current year; (ii) a report regarding capital expenses for the prior year and various funding information since the date of prior report; (iii) projections of Maintenance costs for the Ballpark for the current year, as well as costs and expected items for the succeeding four years and a timetable for completion; (iv) a Tenant's Ballpark Property Schedule, including the Tenant's Ballpark Property used or installed in the Ballpark and Ballpark Personalty replaced; (v) an affordable seating plan; and (vi) a summary of amounts and recipients of charitable and in-kind contributions made by Team. Upon termination of the Agreement, the Team shall provide: (i) existing and operating financial projections; and (ii) copies of all contracts and agreements entered into by the Team relating to the operation of any portion of the Ballpark. The Authority has the right to review the Team's most recent annual audited financial statements and six month unaudited financial statements, as well as other records to the extent provided in Minnesota Statutes § 473.759, Subd. 10.

**Article 5:      Promotion of Other Public Purposes.**

This Article requires that the Team shall provide affordable access to the Ballpark consistent with the affordable seating plan. The Team shall also provide \$250,000 a year to be used for youth activities and youth and amateur sports in Hennepin County, which amount is in addition to amount otherwise normally provided for and on behalf of the Team.

**Article 6:      Default and Remedies.**

Per this Article, an Event of Default occurs upon: (i) either party's violation of the Agreement that continues for 30 days after written notice from the other party, subject to extension as required under the circumstances; (ii) any proceedings involving bankruptcy/insolvency of the Team which is not dismissed in 90 days; or (iii) an incorrect material representation or warranty by either Party. If an Event of Default occurs, the remedies of injunctive relief or specific performance are set forth and the parties waive the right to claim as a defense adequate compensation in damages in an action at law. The County and State are

also entitled to such remedies against the Team and/or the MLB. The Team cannot terminate the Agreement due to an Authority Event of Default. The Team must notify the Authority at least 90 days prior to any action, including any action imposed on the Team by MLB, that would cause a breach or default under this Agreement. Finally, the Team grants a security interest to the Authority in the Ballpark Personalty, including the Tenant's Ballpark Property, and the CapEx Fund, to secure payment and performance of the Team's obligations. The Team is obligated to any agreements which the MLB Entities may enter into with third parties as well as any rules and regulations.

**Article 7: Non-Discrimination.**

Per this Article, no discrimination or segregation is permitted in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Ballpark.

**Article 8: Representations and Warranties.**

Under this Article, both parties represent and warrant that they have full legal authority to enter into the Agreement, there are no conflicts, title encumbrances created by the Team, violations of laws or litigation with respect to either and that both will provide legal opinions stating the same.

**Article 9: Term.**

Per this Article, the term of the Agreement commences on the date thereof and continues until the Expiration Date under the Ballpark Lease Agreement.

**Article 10: Conformity with the Act.**

The Parties agree that this Agreement conforms to the Act.

