

St. Louis City Ordinance 64515

FLOOR SUBSTITUTE

BOARD BILL NO. [98] 204

INTRODUCED BY ALDERMAN Phyllis Young

AN ORDINANCE AUTHORIZING AND DIRECTING THE MAYOR AND COMPTROLLER OF THE CITY OF ST. LOUIS AND THE PORT AUTHORITY COMMISSION OF THE CITY OF ST. LOUIS TO EXECUTE AND DELIVER ON BEHALF OF THE CITY A LEASE AGREEMENT WITH RESPECT TO A NEW MOORING SITE FOR THE ADMIRAL RIVERBOAT AND CONTAINING CERTAIN MODIFICATIONS TO THE LEASE OF THE EXISTING MOORING SITE AND A RELOCATION FUNDING AGREEMENT WITH RESPECT TO SUCH RELOCATION; APPROVING THE FORM OF SUCH LEASE; CONSENTING TO EXECUTION AND RECORDATION OF SUCH DOCUMENTS; AUTHORIZING SUCH FURTHER ACTIONS AS MAY BE REQUIRED IN CONNECTION WITH THE CONTEMPLATED TRANSACTIONS; AND CONTAINING AN EMERGENCY CLAUSE.

WHEREAS, President Riverboat Casino-Missouri, Inc., a Missouri Corporation (the **Company**) currently conducts gaming operations on The President Casino on the Admiral (the **Admiral**), which is currently moored at a location in the City of St. Louis south of the James B. Eads Bridge pursuant to an existing lease, as heretofore amended, entered into by the City under the authority of Ordinance Nos. 58940 and 62638 of the City of St. Louis (the **City**); and

WHEREAS, the Company desires to relocate the Admiral to certain leased real property and mooring rights at a site on the Mississippi River within the Port District of the City of St. Louis located north of the James B. Eads Bridge approximately 1,000 feet north of its current mooring site, and to make necessary improvements in connection with such relocation, including, without limitation, the construction of a porte cochere, ramps and affiliated improvements on the Improved Public Wharf and improved mooring arrangements in the mooring area (collectively, the **Relocation Project**) and in connection therewith to lease from the City and the Port Authority of the City of St. Louis (the **Port Authority**) certain real property and mooring rights at the new mooring site (collectively, the **Leased Property**); and

WHEREAS, the City desires to enter into a Lease Agreement among the City, the Port Authority, and the Company (the **Lease**) to provide for the lease of the Leased Property to the Company and the modification of certain provisions of the existing lease of the existing mooring site; and

WHEREAS, the City further desires to facilitate the relocation of the Admiral to the Leased Property by providing assistance to the Company in financing a portion of the Relocation Project Costs in order to complete the Relocation Project; and

WHEREAS, upon the completion of the relocation of the Admiral and commencement of gaming operations by the Company on the Leased Property, it is anticipated that the Company's existing lease with respect to the existing mooring site will terminate; and

WHEREAS, the City has determined that the Relocation Project will increase the safety of the public visiting the Admiral and will provide economic benefit to the citizens of the City through increased revenues resulting from increased patronage of the Admiral due to improved passenger access, and that the enhanced public safety and increased economic benefits to the citizens of the City resulting from the Relocation Project furthers the City's and the Port Authority's goals, objectives and policies; and

WHEREAS, it is anticipated that the Company will incur approximately \$6 million in costs and expenses associated with the Relocation Project (the **Relocation Project Costs**, as defined herein); and

WHEREAS, the City is authorized pursuant to Article VI, Section 19(a) of the Constitution of the State of Missouri to exercise all powers which the General Assembly of the State of Missouri has authority to confer upon any city; and

WHEREAS, the City proposes to execute and deliver a Relocation Funding Agreement (the **Agreement**) among the City, the Port Authority and the Company, to provide funding of a portion of the Relocation Project Costs in the net amount of \$3,000,000, pursuant to Article VI, Section 19(a) of the Constitution of the State of Missouri and the City Charter and this Ordinance No. _____ adopted by the Board of Aldermen on _____, 1998 (the **Ordinance**); and

WHEREAS, the obligations of the City pursuant to the Agreement shall be a special limited obligation of the City payable from moneys annually appropriated by the Board of Aldermen of the City from the Gaming Revenues,

as defined in the Agreement, which shall be escrowed by the City for such purpose as provided in the Agreement;

NOW THEREFORE, BE IT ORDAINED BY THE CITY OF ST. LOUIS AS FOLLOWS:

Section One. Findings. It is hereby determined and declared that the continued operation of the President Casino by the President Riverboat Casino-Missouri, Inc., and its proposed relocation is in the best interest of the City of St. Louis and that the public will suffer no detriment by the execution of the Lease with respect to the new mooring site and the adjacent levee, and the execution of the Agreement.

Section Two. Authorization of Documents. The City is hereby authorized to enter into the following agreements:

(a) Lease Agreement among the City, the Port Authority and the Company in substantially the form attached hereto as Exhibit A and hereby made a part of this Ordinance, with such changes therein as shall be approved by the Mayor and Comptroller, upon the advice of the City Counselor of the City executing such documents, such officers' signatures thereon being conclusive evidence of their approval thereof; and

(b) A Relocation Funding Agreement among the City, the Port Authority and the Company (the Agreement) containing provisions relating to, among other things, Definitions; Representations by the City, the Port Authority and the Company; City's Funding of Relocation Project Costs and Company's Use of Proceeds; Creation of Funds and City's Segregation of Gaming Revenues and application of Incremental Gaming Revenues to Repay Loan; City's Payments, Obligation and annual appropriation of Gaming Revenues; Termination of Agreement; Default and Remedies; and Miscellaneous Provisions. Said Agreement will contain usual and customary provisions and will be in a form satisfactory to the City Counselor, the signatures of the Mayor and the Comptroller thereon and the City Counselor's approval as to form being conclusive evidence of such officers' approval thereof. The foregoing documents, together with such other documents as may be contemplated thereby or referred to therein, are collectively referred to herein as the City Documents.

Section Three. Further Authority. The City shall, and the officers, aldermen, officials, agents and employees of the City are hereby authorized and directed to, take such further action, and execute such other documents, certificates and

instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance, and to carry out, comply with and perform the duties of the City with respect to the Agreement and the Lease. The Mayor and Comptroller of the City are authorized, empowered and directed to execute and deliver on behalf of the City an assignment of the payments under the Relocation Funding Agreement to a bank or other party to be named therein to secure the funding of \$3,000,000 of Relocation Project Costs. Said assignment will contain usual and customary provisions and will be in a form satisfactory to the City Counselor, the signatures of the Mayor and the Comptroller thereon and the City Counselor's approval as to form being conclusive evidence of such officers' approval thereof.

Section Four. Severability. If any provision of this Ordinance shall be held or deemed to be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because of conflicts with any provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever.

Section Five. Emergency Clause. Passage of this Ordinance being deemed necessary for the immediate preservation of the health and welfare of the residents of the City of St. Louis, it is hereby declared to be an emergency measure within the meaning of Sections 19 and 20 of Article IV of the Charter of the City of St. Louis and shall become effective immediately upon its passage and approval by the Mayor.

LEASE AGREEMENT

among

THE PORT AUTHORITY OF THE CITY OF ST. LOUIS

and

THE CITY OF ST. LOUIS, MISSOURI

(LESSORS)

and

PRESIDENT RIVERBOAT CASINO MISSOURI, INC.

(LESSEE)

DATED: _____, 1998

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LEASE AGREEMENT

THIS LEASE AGREEMENT (herein referred to as this "Agreement") is made and entered into this _____ day of _____, 1998 among THE CITY OF ST. LOUIS, a municipal corporation of the State of Missouri (the "City") through its Mayor and Comptroller, THE PORT AUTHORITY OF THE CITY OF ST. LOUIS, a political subdivision of the State of Missouri (the "Port Authority") ("City" and "Port Authority" may hereinafter be referred to collectively as the "Lessors"), and PRESIDENT RIVERBOAT CASINO MISSOURI, INC., a Missouri corporation ("Lessee");

WITNESSETH:

WHEREAS, Lessee has leased from the City certain mooring rights at a site on the Mississippi River within the Port District of the City of St. Louis, and is currently licensed by the Missouri Gaming Commission (the "Commission" or the "Gaming Commission") to conduct Gaming Operations (as hereinafter defined) on The President Casino on the Admiral (the "Admiral"), a floating facility moored at that site; and

WHEREAS, on or about _____, 1998, Lessee submitted a proposal to the Port Authority whereby it would relocate the Admiral from its current mooring site to a mooring site of 800 linear feet between the Martin Luther King Bridge and the south end of the flood wall north of the Martin Luther King Bridge (the **Mooring Area**, as hereinafter defined), and would thereupon develop, construct and operate a Casino Project (as hereinafter defined) including riverboat gaming, a porte cochere and a mooring cell (collectively referred to as the **Casino Project** and hereinafter defined); and

WHEREAS, the parties hereto intend that this Agreement shall provide for an improved and more competitive Casino Project for the benefit of Lessee, the City and the Port Authority; and

WHEREAS, the Lessee has agreed, on the terms and conditions hereinafter set forth, to use reasonable efforts to seek and obtain the approval of the Gaming Commission to implement and effect the relocation of the Admiral and the development of the Casino Project in accordance with this Agreement; and

WHEREAS, the Port Authority and the City have further determined that the lease of the City's Mooring Rights as hereinafter defined, at the Levee and Mooring Area for gaming operations in the riverfront area will provide economic benefits to the citizens of the City of St. Louis through expansion of the job base, increased revenues, increased tourism and expanded economic activity; and

WHEREAS, the Port Authority, the City and Lessee desire to enter into this Lease Agreement, pursuant to which Lessors shall let unto Lessee, and Lessee shall lease, take and hire from Lessors, subject to the provisions hereinafter set forth, the Mooring Rights within the Mooring Area and Levee, for the terms, the rent, and upon the remaining conditions set forth herein; and

WHEREAS, the Port Authority, the City and Lessee desire that the Casino Project be completed, including, but not limited to, those features thereof which enhance the public safety of visitors to the Admiral; and

WHEREAS, the Port Authority, the City and Lessee agree to the method of financing certain of the costs of the relocation and the Casino Project;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

ARTICLE I DEFINITION OF TERMS

For purposes of this Agreement, the following terms, in addition to the terms defined elsewhere in this Agreement, shall have the meanings set forth below when initially capitalized herein:

Section 1.1 Act means the Excursion Gambling Boats Act of the State of Missouri contained in Sections 313.800 to 313.850 (both inclusive) of the Revised Statutes of Missouri (1997), as the same may hereafter be amended.

Section 1.2 Additional Rent means any and all rent to be paid by Lessee, other than the Base Rent, including rent which is based on a percentage of Adjusted Gross Receipts as provided in Section 4.2 hereof.

Section 1.3 Adjusted Gross Receipts shall have the meaning of such term as contained in the Act as in effect on the Effective Date without regard to any subsequent amendments thereto.

Section 1.4 Affiliate means, as to any Person, any other Person which, directly or indirectly, is controlled by, under common control with, or controls such Person. The term "control" for these purposes means the ability, whether by direct or indirect ownership of shares or other equity interests, by contract or otherwise, to elect a majority of the directors of a corporation, to elect a majority of the managers of a limited liability company, to select a managing partner of a partnership, or otherwise to select, or have the power to remove and then select, a majority of those persons exercising governing authority over an entity, and, in the case of a limited partnership, shall mean the sole general partner thereof, all of the general partners thereof which have or share management control or authority, or the managing general partner or managing general partners thereof, as appropriate (and in any event shall mean the ownership and control [that is, the right to vote] fifty percent (50%) or more of the residual equity interests in an entity). The term "Affiliate" shall also mean and include (i) a trust of which the Person in question, or other applicable Person, or a direct or indirect shareholder of any such Person, is a trustee, or which has as its principal income or residual beneficiaries, such Person, or any direct or indirect shareholder of such Person, or members of the immediate family of such Person or such direct or indirect shareholder, and (ii) any members of such Person's immediate family, or a member of the immediate family of any direct or indirect shareholder of such Person. For purposes hereof, shares or other ownership interests held by a trust shall be deemed to be owned pro rata by the income and residuary beneficiaries of such trust. Further,

the members of the immediate family of any Person shall include all collateral relatives of such Person having a common linear ancestor with such Person, and the spouse or any former spouse of such Person or any of such collateral relatives, and shall include both natural and adopted relatives.

Section 1.5 Agreement means this Lease Agreement (together with all Exhibits, attachments, and appendices referenced herein) by and between the Lessors and Lessee, as the same may be amended, modified, restated, or supplemented from time to time.

Section 1.6 Ancillary Facilities means the improvements, fixtures, furniture, buildings, appurtenances, restaurants, entertainment facilities, bars, lounges, offices, equipment, ramps, structures, porte cochere, mooring cell, and facilities of any kind or nature which are located within the Mooring Area and Levee and which are, have been or will be constructed or operated as part of, in connection with, or adjacent to the Mooring Area and Levee, respectively, other than the Gaming Vessel(s).

Section 1.7 Base Rent means the amount of rent to be paid by Lessee per linear foot of Mooring Area and per square foot of Levee, as adjusted from time to time, as mandated by Ordinance No. 57933 of the City of St. Louis.

Section 1.8 Books and Records means the internal control standards adopted by the Lessee and the records required thereby, as well as all general ledgers, accounts receivable, accounts payable, invoices, payroll records, expense records, income records, all revenue records, and any other accounting or financial document or record relating to or concerning the business operations of the Lessee related to the gaming operations conducted as part of the Casino Project. Books and Records shall not include any information Lessee is required by law, or by applicable provisions of any collective bargaining agreement, not to disclose.

Section 1.9 Casino Project means the Gaming Vessels, including but not limited to the Admiral; the Ancillary Facilities related to the Mooring Area and Levee; and the furniture, fixtures and equipment to be constructed and/or installed by Lessee at the Mooring Area and Levee pursuant to the terms and conditions of this Agreement.

Section 1.10 Casino Opening Date means the first day on which the Gaming Vessel(s) is open for business to the public in the Mooring Area.

Section 1.11 Commission (or Gaming Commission) means the Missouri Gaming Commission created pursuant to Section 313.004 of the Revised Statutes of Missouri (1994).

Section 1.12 Debt means the obligation incurred in connection with the construction of the Casino Project which will be repaid by an assignment of certain revenue received due to the Gaming Operations by the Lessors, all as more specifically set forth in the Relocation Funding Agreement.

Section 1.13 Effective Date means the date on which this Agreement, with all Exhibits, Appendices and Attachments, is fully executed by the parties hereto, and all changes to the printed portion hereof initialed by all of the parties.

Section 1.14 Environmental Laws means any applicable laws pertaining to health or the environment including, without limitation, the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, as hereafter amended (◆CERCLA◆), the Resource Conservation and Recovery Act of 1976, as amended by the Used Oil Recycling Act of 1980, the Hazardous and Solid Waste Amendments of 1984, as hereafter amended (◆RCRA◆), the Federal Water Pollution Control Act, as now or hereafter amended (◆WPCA◆), and any laws of the State of Missouri or any subdivision thereof, relating to the presence of, removal, spill, release, leaking, or disposal of oil, petroleum, toxic pollutants, solid waste or other hazardous substances. The terms ◆hazardous substance◆ and ◆release◆ shall have the meanings specified in CERCLA and RCRA; the term ◆solid waste◆ and ◆disposal◆, or ◆disposed◆, shall have the meanings specified in RCRA; the terms ◆oil◆, ◆petroleum◆, and ◆toxic pollutant◆ shall have the meanings specified in WPCA and RCRA; provided that, to the extent that the laws of the State of Missouri, as currently enacted or hereafter amended, establish a meaning for ◆oil◆, ◆petroleum◆, ◆toxic pollutant◆, ◆hazardous substance◆, ◆release◆, ◆solid waste◆, or ◆disposal◆ that is broader than that specified in either CERCLA, RCRA, or WPCA such broader meaning shall apply.

Section 1.15 Gaming Authorities means all agencies, authorities and instrumentalities of the City of St. Louis, the State of Missouri, or the United States of America, or any subdivision thereof, which have jurisdiction over the Gaming Operations (or any part thereof) at the Casino Project, including but not limited to the Gaming Commission.

Section 1.16 Gaming License (or License) means the license or licenses, if any, granted by the Gaming Commission to Lessee which permit the holder thereof to legally conduct Gaming Operations in the State of Missouri, together with any replacements or renewals thereof.


Section 1.17 Gaming Operations means any operations relating to gaming, gambling, lotteries, gift enterprises and/or games of skill and chance offered or conducted at or within the Casino Project, including, without limitation, the operation of any slot machines, roulette tables, card games or other gaming devices or games permitted under the Act.


Section 1.18 Gaming Rent means, collectively, the rental amounts to be paid by Lessee to Lessors pursuant to Article IV (including the Additional Rent described therein).

Section 1.19 Gaming Vessel(s) means the structure, improvement or facility floating within the Mooring Area and meeting the requirements of an excursion gambling boat or floating facility under the Act, to be constructed, owned and operated by Lessee pursuant to this Agreement as a part of the Casino Project, which floating facility or facilities are to be moored within the Mooring Area and utilized for the conduct of Gaming Operations, and otherwise operated in accordance with the terms and conditions of this Agreement during the Mooring Lease Term.

Section 1.20 Governmental Authorities means any federal, state, county or municipal governmental authority, including all executive, legislative, judicial and administrative bodies thereof.

Section 1.21 Improvements means any immovable buildings, fixtures, structures, improvements, roads, roadways, mechanical devices, landscaping, facilities and appurtenances constructed and situated now or at anytime hereafter on or within the Levee, Mooring Area or any public right of way.

Section 1.22 Head Tax means that portion of the admission fee described in Rev. Stat. Mo.  313.820 (1997) which is paid to the City as home dock city. Said amount is equal to One Dollar (\$1.00) for each person embarking on a Gaming Vessel.

Section 1.23 Home Dock City Public Safety Fund means that portion of the tax on Adjusted Gross Receipts received by the City as the home dock city, all as defined in Rev. Stat. Mo.  313.822(1). Said amount is equal to two percent

(2%) of the Lessee's Adjusted Gross Receipts from Gaming Operations authorized under §§ 313.800 850.

Section 1.24 Lease means this Agreement together with the lease rights granted to Lessee pursuant hereto in regard to the Mooring Area and Levee.

Section 1.25 Lease Term (or Term) means the Lease Term of the Mooring Rights Lease (as defined in Section 3.1 below).

Section 1.26 Lease Year means, as to the Mooring Rights Lease, the period commencing on the Casino Opening Date and ending on the next succeeding December 31, and, thereafter shall mean each calendar year thereafter; provided, however, if the Lease Term shall end on a date other than December 31 of any year, the last Lease Year hereunder shall mean the period of time ending the date of expiration or earlier termination hereof and commencing on the immediately preceding January 1. The term Full Lease Year means any Lease Year containing not fewer than 364 days.

Section 1.27 Lessee means President Riverboat Casino Missouri, Inc., a Missouri corporation, and to the extent succession or assignment is permitted or authorized pursuant to the terms of this Agreement, any other Person who becomes the successor to or assignee of all or any part of the rights, duties, and obligations of Lessee under this Agreement.

Section 1.28 Lessee's Leasehold Interests means the tenancies and other rights granted to Lessee under this Agreement in regard to the Mooring Area and Levee.

Section 1.29 Lessors means the City of St. Louis and the Port Authority of the City of St. Louis, and any other Person who becomes the successor to or assignee of all or any part of the rights, duties and obligations of Lessors under this Agreement.

Section 1.30 Levee means the area in the City of St. Louis, Missouri (sometimes referred to as the improved wharf) immediately adjacent to and west of the Mooring Area between the water's edge and Leonor K. Sullivan Drive and more fully described in Exhibit 2, attached hereto and incorporated by reference herein. For purposes of determination of Base Rent the water's edge shall be the mean water line.

Section 1.31 Mooring Area means the area in the City of St. Louis, Missouri, within the Port District east of the Levee described in Exhibit 3, attached hereto and incorporated herein by reference.

Section 1.32 Mooring Rights means the exclusive right granted by the City to Lessee to moor the Gaming Vessel(s) within the Mooring Area.

Section 1.33 Patrons means those Persons in, on or around the Levee or Mooring Area on account of the Casino Project for the purpose of participating in any gaming activities or other forms of entertainment, including the enjoyment of food and beverages, being offered in, on or around a Casino Project.

Section 1.34 Person means any individual, partnership, corporation, limited liability company, association, unincorporated organization, trust or other entity, including but not limited to, any government or agency or subdivision thereof, and the heirs, executors, administrators, legal representatives, successors and assigns of such Person where the context so permits.

Section 1.35 Port Authority means the Port Authority of the City of St. Louis, a political subdivision of the State of Missouri, whose offices are currently located at 1015 Locust Street, Suite 1200, St. Louis, Missouri 63101.

Section 1.36 Port Commission means the Board of Commissioners of the Port Authority.

Section 1.37 Project means the Casino Project, the Ancillary Facilities thereto, and the Improvements, furniture, fixtures and equipment to be constructed or installed by Lessee and at Lessee's sole cost and expense within the Mooring Area and Levee.

Section 1.38 Relocation Funding Agreement + means the agreement by and among the City of St. Louis, Missouri, The Port Authority of the City of St. Louis, Missouri and _____, as Trustee, dated as of December 1, 1998.

Section 1.39 Unavoidable Delay means a delay due to strike, lockout, or other labor or industrial disturbance, shortages or unavailability of materials, civil disturbance, lightning, earthquake, fire, storm, hurricane, tornado, flood, washout, act of God, the failure of either party hereto to perform any act or fulfill any obligations required to be performed or fulfilled by said party to the extent the same causes the other party to fail to perform or satisfy any

obligation by a date or time otherwise herein required, or any causes whatsoever beyond the reasonable control of Lessee or the Lessors, whichever of them is alleging the occurrence of an Unavoidable Delay; provided that enforcement of and compliance with contracts entered into by Lessee or Lessors shall be deemed to be within the reasonable control of Lessee or Lessors, respectively, and provided further that the lack of funds or inability to obtain or maintain financing shall not be deemed to be a cause beyond the reasonable control of Lessee. Any of the foregoing events, to the extent resulting as an Unavoidable Delay, being sometimes herein referred to as an **Unavoidable Delay Event**.

ARTICLE II LEASED RIGHTS

Section 2.1 Unsubordinated Lease

In consideration of the obligations undertaken hereunder by Lessee to pay Gaming Rent to Lessors as hereinafter set forth, and in consideration of the other terms, provisions, covenants and conditions of this Agreement, Lessors hereby lease to Lessee and Lessee takes, accepts and leases from Lessors, respectively, the Mooring Area and the Levee.

Section 2.2 Reserved Easements

The City hereby reserves a nonexclusive easement over the Levee for the purpose of levee maintenance, including cleaning mud and debris. The City further reserves a nonexclusive easement for a sidewalk east of the curb of Leonor K. Sullivan Boulevard except over such areas as Lessee may improve with its porte cochere, ramps, walks and paved areas; such sidewalk may be used for pedestrian access and for the installation and maintenance of light standards and decorative fences. The City hereby reserves for the benefit of the Metropolitan Sewer District the right to maintain existing storm sewers and drains on the Levee.

ARTICLE III TERM OF LEASE

Section 3.1 Term of Lease of Levee and Mooring Area

Subject to the terms, covenants, agreements and conditions contained herein, Lessee shall have and hold the Levee, the Mooring Area, and the Mooring Rights therein, for a term (the **Mooring Rights Lease Term**) of twenty five (25) years commencing on the Effective Date and terminating at 11:59 p.m. (St. Louis time) on the day prior to the date of the twenty fifth (25th) anniversary of the Effective Date.

Section 3.2 Lessee Termination Right

Anything herein contained to the contrary notwithstanding, Lessee shall have the right to terminate this Agreement and the rights and obligations of the parties hereto (other than those which shall survive any such termination) upon not less than one (1) year prior written notice to Lessors by Lessee of the date on which such termination shall occur, and the payment of an additional amount equal to the Base Rent for the one year period following the effective date of such termination, provided that on the effective date of termination set forth in any such written notice and continuously thereafter, Lessee, its successors and assigns, shall abandon, cease and terminate any gaming activities within the Mooring Area and comply with the provisions of Section 9.3 hereof. In connection with the termination of this Agreement pursuant to this Section 3.2, each party shall bear all costs and expenses incurred by it without reimbursement from any other party unless otherwise expressly provided herein. Nothing in this Section 3.2 shall relieve Lessee of any obligation that may accrue under this Agreement, including the Debt, prior to the date of termination as aforesaid or entitle Lessee to any reimbursement of amounts previously paid under the terms of this Agreement, whether or not accrued prior to the date of termination.

ARTICLE IV

RENT, ADDITIONAL RENT AND OTHER CONSIDERATION

Section 4.1 Base Rent

A. For the rights and privileges granted and leased herein, Lessee shall pay to the City an annual Base Rent of \$12.375 per linear foot of Mooring Area and \$0.12375 per square foot of Levee area. The Base Rent shall be payable to Lessors annually in advance on the Casino Opening Date and on each successive anniversary of the Casino Opening Date. The Base Rent to be paid to Lessors shall be subject to adjustment as provided in Section 4.1.B. below.

B. Pursuant to Ordinance No. 57933, the Base Rent of \$7.50 (current adjusted base rate of \$12.375) per linear foot of Mooring Area and \$0.0750 (current adjusted base rate of \$0.12375) per square foot of Levee may be adjusted at five (5) year intervals beginning January 1, 1999, upon the recommendation of the Port Commission and the approval of the Board of Public Service. No recommendation may be made by the Port Commission unless within one hundred eighty (180) days before the effective date of such adjusted Base Rent, the Port Commission shall conduct a public hearing with due notice to the public and to the lessees of City owned land and mooring rights under leases which are subject to the provisions of Ordinance No. 57933. The maximum adjustment which can be recommended and approved at any interval shall be 25% of the then applicable Base Rent. Each adjustment shall be added to the Base Rent plus any previous adjustments thereof and the resulting rate shall then become the Base Rent. If, upon the recommendation of the Port Commission, the Board of Public Service shall approve an increase in the Base Rent in excess of 15%, such increase in the Base Rent shall not be effective hereunder unless approved by resolution of the Board of Aldermen of the City of St. Louis. If the Board of Aldermen fails to act before the effective date of the new Base Rent, the Base Rent increase shall be limited to 15% and may not thereafter be increased until the next Base Rent adjustment date five (5) years hence. Any adjustment in Base Rent made as hereinabove provided shall become effective hereunder as of the next date on which payment of Base Rent shall be due hereunder.

Section 4.2 Percentage Rent

A. As an additional part of the consideration to the Lessors for the rights granted hereunder, at any time Lessee operates gambling games on any vessel utilizing the Mooring Rights pursuant to any law of the State of Missouri, Lessee shall pay to the Port Authority in monthly installments during each Lease Year of the Mooring Rights Lease Term, rent (herein referred to as **Percentage Rent**) as specified in Exhibit 1, attached hereto and incorporated by reference herein. Lessee and Lessors agree that the Percentage Rental shall not be subject to adjustment.

B. Lessee's obligation to pay Percentage Rent shall commence as of the Casino Opening Date. Payment of the Percentage Rent due hereunder (if any) in regard to any calendar month shall be due and payable monthly, in arrears, and shall be calculated on the basis of the Adjusted Gross Receipts for the period from the beginning of such Lease Year to the end of the month next preceding the date on which Percentage Rent is being paid, less the total amount of Percentage Rent previously paid during such Lease Year. Percentage

Rent shall be due and payable on the last day of the month following the month in which the Adjusted Gross Receipts were received.

C. Together with each payment of Percentage Rent required in Section 4.2(A), Lessee shall deliver to Lessors a detailed statement (herein referred to as the **◆Gaming Percentage Statement◆**) of the Adjusted Gross Receipts of the previous calendar month and for the Lease Year to date, as well as a calculation of the amounts of Percentage Rent paid and payable for the Lease Year to date. In the event that any such Gaming Percentage Statement reveals that the amount of the Gaming Rent paid for the Lease Year to date is less than the total amount of Gaming Rent actually due for the Lease Year to date, Lessee shall immediately pay to Lessors the amount of such shortage.

Section 4.3 Delinquent Rent

Any delinquent payment of rent or any other sum due and owing from Lessee hereunder shall bear interest from the date such payment was due at the prime rate plus two percent (2%) per annum (**◆Default Rate◆**), which interest shall be additional rent payable hereunder. The prime rate shall be the average of the prime or base rates established by Mercantile Bank National Association and NationsBank, N.A., or their successors, or if neither of said banks shall then publish its prime or base rate, then at the prevailing prime rate as reported by the Wall Street Journal.

Section 4.4 Net Lease

It is the purpose and intent of the Lessors and Lessee that the Base Rent and Additional Rent payable hereunder shall be net to the Lessors so that this Agreement shall yield to the Lessors a sum not less than the payments specified in this Agreement in each year that such is applicable during the terms of this Agreement and that all costs, expenses, taxes, and charges of every kind and nature incurred by the Project that may be attributed to, or become due during the term of this Agreement shall be paid by Lessee.

Section 4.5 Pro rated Payments

Should any payment required by this Agreement be due for a period less than a full week, month, quarter, year or other installment period (e.g., a payment due in the middle of a month), the amount due shall be prorated on a per diem basis calculated on the number of days in the applicable installment period.

Section 4.6 Gaming Rent Representing Fair Rental Value

The parties hereto do hereby acknowledge that the Base Rent and Percentage Rent payable hereunder constitutes full fair rental value for the use, possession and enjoyment of the Levee, the Mooring Area and Mooring Rights, respectively, by Lessee in accordance with the terms and provisions of this Agreement. Lessee covenants and agrees that during the term of this Agreement, it shall take no action, either directly or indirectly, to challenge (legally or otherwise) or attack the legal validity of this Agreement, the consideration to be paid hereunder, the Gaming Act, or the local options which established gaming in the City; provided, however, no right, power, privilege, remedy or interest of Lessee to enforce the terms of this Agreement shall be limited, restricted or otherwise prejudiced.

Section 4.7 Casino Project Development Costs and Repayment

A. The parties recognize that the relocation of the Admiral to the Mooring Area and the construction of the Casino Project is in the best interest of the Lessors and that major components of the Casino Project are measures and obligations designated to enhance and provide for the safety of visitors to the Gaming Vessel(s).

B. To that end, the Lessors and the Port Authority hereby authorize the use of certain revenues which they derive from the Gaming Operations and the Casino Project to be directed to repay the Debt, until paid in full, all as set forth in Relocation Funding Agreement.

C. Any and all costs in excess of Three Million Dollars (\$3,000,000.00) necessary to complete the Casino Project shall be borne by the Lessee with no obligation of repayment by the Lessors.

ARTICLE V LICENSING

Section 5.1 Gaming License

A. Lessee shall apply to the Gaming Commission for amendment of Lessee's Gaming License (or such other approval process as may be required by the Gaming Commission) to operate the Admiral and, if Lessee so elects pursuant to the terms and conditions of this Agreement, additional Gaming Vessels at the Mooring Area. Simultaneously with the submission of its application to the Gaming Commission, Lessee shall submit a copy of the portions of said application which are subject to public disclosure to Lessors. Lessee shall use

all reasonable efforts to obtain, and shall diligently pursue the approval of said amendment of Lessee's Gaming License, and shall provide to the Gaming Commission any and all information within its possession or subject to its control which may be required by the Gaming Commission in connection with the licensing process.

B. Lessors and Lessee shall each have the right to terminate this Agreement, by written notice to the other delivered at any time on or after eighteen (18) months after the Effective Date (without regard to Unavoidable Delays) but prior to the date on which Lessee shall have received approval for amendment of its Gaming License, in the event Lessee shall fail to have obtained approval of Lessee's amended Gaming License on or prior to such date; provided, however, Lessors (the City acting through its Board of Estimate and Apportionment), acting in their sole and absolute discretion, may extend the aforesaid date to any date, in its discretion, by written notice to Lessee. The right of Lessors to terminate this Agreement as provided in this Section 5.1(B) shall be the sole right and remedy of Lessors for Lessee's failure to obtain approval of Lessee's request for approval to relocate as herein contemplated.

C. Upon approval by the Gaming Commission of Lessee's request to relocate, Lessee shall thereafter act diligently to comply in all respects with the rules and regulations of the Gaming Commission and shall use reasonable efforts thereafter to maintain and renew its Gaming License as and when necessary at all times during the Mooring Rights Lease Term.

D. In the event any provision of this Agreement (other than a provision required by applicable law, and subject, further, to the provisions of Section 4.6) shall result in the denial, revocation, suspension or failure to renew any gaming or similar license applied for or obtained by Lessee (or any member, shareholder or partner of Lessee, or any of their respective Affiliates) at any time during the Term (whether issued by the State of Missouri or any other jurisdiction either within or outside the State of Missouri), Lessors agree that they shall not enforce the said provision and shall waive its compliance by Lessee. Further, and notwithstanding Section 20.15, this Agreement shall be deemed amended, without further act or notice of either party hereof, to the extent necessary to cause this Agreement to comply with the Act; however, nothing herein shall cause the Term hereof to be extended beyond that contemplated hereby, or reduce or increase the amount of Gaming Rent otherwise required to be paid hereunder; provided, however, no right, power, privilege, remedy or interest of Lessee under this Agreement shall be limited, restricted or otherwise prejudiced.

ARTICLE VI OPERATIONAL COVENANTS REGARDING PROJECT

Section 6.1 Light Standards

Lessee agrees to purchase and install light standards according to City specifications in the area over which the City has reserved an easement for sidewalk purposes north and south of the porte cochere and ramp and paved areas indicated in Exhibit 4 hereto. Such light standards shall thereafter during the Lease term be maintained and, if necessary, replaced by the City. Electric power and electric light bulbs shall be provided by the City.

Section 6.2 Curb Cut

Lessee agrees to construct at Lessee's sole cost and expense one curb cut between Lessee's porte cochere and the flood wall north of said porte cochere at a location directed by the Street Director of the City.

Section 6.3 Trash and Garbage Disposal

The parties acknowledge that neither the Port Authority nor the City shall be responsible for providing trash and garbage disposal services to Lessee hereunder. Lessee hereby covenants and agrees that it shall use reasonable efforts to prohibit and prevent the accumulation of litter, garbage, refuse or trash (herein collectively referred to as "Refuse") or storage of any Refuse, in, on or around the Levee and Mooring Area except in designated areas and in containers and receptacles intended for the temporary storage thereof, and shall keep the Levee and Mooring Area neat and clean. Further, Lessee shall post signs and take other reasonable steps to prevent its Patrons or any other person in the Mooring Area from throwing of any Refuse of any sort into the Mississippi River. Lessee shall be responsible for housekeeping in the Levee and Mooring Area.

Section 6.4 Marine Survey

Annually, the Lessee must present to the Port Commission a marine survey of the safety of the Gaming Vessel(s) operated by the Lessee.

ARTICLE VII
REPRESENTATIONS AND WARRANTIES OF LESSORS

Section 7.1 Representations and Warranties of Lessors

In order to induce Lessee to enter into this Agreement, the Lessors represent and warrant the following to Lessee:

A. Lessors have the right, power and authority to enter into this Agreement, to grant a leasehold interest in the Mooring Area and Levee, and other rights granted herein, and to make the covenants, commitments, representations and warranties made herein.

B. To the best of Lessors' knowledge and belief, the execution and delivery of this Agreement and the consummation of the transactions contemplated by this Agreement and compliance with the terms of this Agreement do not, nor with the passage of time or both will not, constitute a default under any agreement, judgment, order, decree or ruling of any court or agency to which the Lessors are subject.

C. The execution and delivery of this Agreement by the Lessors have been approved by all necessary action of all Governmental Authorities (including, without limitation, the Board of Aldermen of the City of St. Louis and the Board of Commissioners of the Port Authority of the City of St. Louis) and, when executed and delivered by duly authorized representatives of the Lessors and Lessee, will constitute the legal, valid and binding obligation of Lessors, enforceable against the Lessors in accordance with its terms.

D. The City and the Port Authority are political subdivisions of the State of Missouri.

ARTICLE VIII
REPRESENTATIONS AND WARRANTIES OF LESSEE

Section 8.1 Representations and Warranties of Lessee

In order to induce Lessors to enter into this Agreement, Lessee represents and warrants the following to Lessors:

A. Lessee is a Missouri corporation duly organized, validly existing and in good standing under the laws of the State of Missouri, and has full power to

enter into and perform its obligations under the terms of this Agreement, and the authority to enter into this Agreement and to bind Lessee thereby.

B. The execution and delivery of this Lease for and on behalf of Lessee has been approved by all requisite action on the part of Lessee and, upon execution and delivery hereof by duly authorized representatives of the City, the Port Authority and Lessee shall constitute the valid and binding obligation of Lessee enforceable against Lessee in accordance with its terms.

C. To the best of Lessee's knowledge and belief, the execution and delivery of this Agreement and the consummation of the transactions contemplated by this Agreement in compliance with the terms of this Agreement do not, or with notice or the passage of time or both will not, constitute a default under any agreement, or any judgment, order, decree or ruling of any court or agency to which Lessee, or any Affiliate is subject.

D. To the best of Lessee's knowledge, there is no condition or fact that would render Lessee unsuitable under the Act to maintain its Gaming License or to obtain approval from the Gaming Commission for relocation of the Admiral to the Mooring Area.

ARTICLE IX USE OF MOORING AREA AND LEVEE

Section 9.1 Use of Mooring Area

The Mooring Area shall be used by Lessee only for purposes consistent with the lawful use thereof, including the mooring of Gaming Vessel(s) and the construction of mooring arrangements as shown on Exhibit 3 hereto. Lessee shall not be restricted by this Lease Agreement with respect to the number of vessels or gaming positions in the Mooring Area.

Section 9.2 Use of Levee

The Levee shall be used for ingress and egress to and from the Mooring Area for Lessee's employees, agents, servants, patrons, suppliers, vendors and invitees, for the placement of cables securing the Gaming Vessel(s) to deadmen located on the Levee, for the placement of ramps providing access to and from the Gaming Vessel(s), and to use utility hook ups on the Levee. Lessee shall have the obligation to keep the Levee clean and free of all litter, trash and debris of any kind.

Lessee may also use the Levee for construction of an open porte cochere and for approaches and access thereto as shown on Exhibit 2 hereto.

Lessee shall have the right to install, use or modify the installation of deadmen and mooring arrangements on the Levee in accordance with plans and specifications prepared by a licensed civil engineer for such installation or modification of the installation or use thereof, provided said plans and specifications have been approved by the Board of Public Service. Lessee shall obtain all necessary permits from the appropriate Governmental Authorities for the installation and use of such deadmen and mooring arrangements. Structures or major alterations shall be made in accordance with plans and specifications approved by Lessors through the Board of Public Service.

Section 9.3 Removal

Upon and after the expiration, termination, or cancellation of this Agreement, the Lessee shall remove all and any vessels, boats, watercraft or other practical movable structures from the Mooring Area and, at Lessor's option, all and any improvements from the Levee, all without expense to Lessors. In the event said vessels, boats, watercraft or improvements are not removed within one hundred eighty (180) days after receipt of notice by the Lessee, the Lessors may cause same to be removed at the expense of the Lessee.

Section 9.4 Nondiscrimination

Lessee agrees that in connection with the use and occupancy of the Levee and the Mooring Area, and in performing its obligations under this Agreement, neither Lessee, its employees, agents, servants, representatives, nor anyone acting within Lessee's control will discriminate against any employee, Patron, applicant for employment or any other person on the basis of race, creed, color, religion, national origin, ancestry, sex, age, disability, handicap, veteran status, marital status, income or sexual preference. This requirement shall apply, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training. There shall be posted in conspicuous places, available to employees and applicants for employment, notices to be provided by Lessors setting forth the provisions of this Section. All solicitations or advertisements for employment shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, age, physical handicap, national origin or sexual orientation. Lessee agrees to use reasonable efforts and reasonable diligence to implement the policies, ordinances and Mayor's Executive Orders of the City

of St. Louis requiring maximum utilization of City certified minority and women owned business enterprises in all phases of procurement and contracting by Lessee in connection with the construction of the Casino Project, including but not limited to construction, goods and professional services.

ARTICLE X CONDITION AND WARRANTIES OF TITLE

Section 10.1 Condition of the Levee and Mooring Area

It is understood and agreed by the parties that Lessee takes and accepts the Levee and Mooring Area in "as is" condition and that this Agreement imposes no obligation of any kind on Lessors to make any changes or improvements of any kind thereto. It is further understood and agreed that except as otherwise expressly stated herein, Lessee will accept and take the Levee and Mooring Area without any express or implied warranties of suitability, merchantability, fitness for a particular purpose or environmental fitness. The Lessors do not warrant or guarantee the condition of the Levee and Mooring Area for any particular purpose nor does it warrant or guarantee that the Levee and Mooring Area is free of any visible, hidden, or latent defects of any kind or nature, including but not limited to any defects and/or any environmentally unsafe condition in violation of any Environmental Laws. The Lessors have made no representations or warranties, express or implied, and explicitly disclaims the same concerning the absence of any pollution, contamination, hazardous waste, hazardous or toxic material or substance, underground storage tanks or hazardous building materials in, on or around the Levee or Mooring Area, except as may be specifically and expressly stated elsewhere in this Agreement.

ARTICLE XI SUBLETTING, ASSIGNMENT AND TRANSFER

Section 11.1 Assignment or Subletting

Except as otherwise provided in this Agreement, Lessee shall not, assign, sell or transfer this Agreement or the Leasehold Interests, or any interest herein, or sublet the Mooring Area, or any parts thereof, without the prior written consent of the City or the Port Authority, as the case may be.

Section 11.2 Estoppel Certificates

If the Port Authority and/or the City shall have been requested to do so in writing by Lessee, it shall deliver to any potential mortgagee, purchaser or assignee (hereinafter referred to as a **Transferee**) or to the party designated by the Transferee in any written notice to Lessors, an instrument in writing addressed to the Lessee, Transferee and any party designated by Transferee in its notice to the Port Authority and/or the City requesting delivery of the said written instrument, stating that (i) this Agreement has not been altered, modified or amended and remains in full force and effect (or, if applicable, setting forth the nature of any such alteration, modification or amendment); (ii) stating the date to which Base Rent and Percentage Rent has been paid hereunder; and (iii) setting forth such additional information as Lessee shall reasonably request and as shall be available to the Port Authority and/or the City without unreasonable effort or expense which additional information, if deemed necessary by the Port Authority and/or the City may be limited to the actual knowledge of the Port Authority and/or the City. In no event shall the Port Authority or the City be required to incur any expense (unless indemnified therefor in advance to the reasonable satisfaction of the Port Authority or the City, as the case may be) in complying with any request referred to above. If, having requested delivery of such written instrument, the Port Authority and/or the City (as the case may be) shall fail to deliver the same on or prior to twenty (20) days after request therefor, the Port Authority and City shall irrevocably and unconditionally be deemed to have confirmed to Lessee and Transferee, and such other parties referred to above, all facts which Lessee has requested that the Port Authority and the City shall confirm including, without limitation, that there has not, as of said date, occurred any default or Event of Default, or any act, both, would constitute a default or Event of Default hereunder which remains uncured as of said date and that, accordingly, this Agreement is in full force and effect as of said date. Lessee, Transferee and any other party to whom such written instrument shall be directed, or to whom Lessee has requested that the same be directed, may rely on such instrument, and on the provisions of this Section 11.2, and the Port Authority and City shall thereafter forever and completely be estopped from denying the truth and accuracy of any statement made by the Port Authority and City in any written instrument furnished, or deemed furnished, pursuant to the provisions of this Section 11.2.

Section 11.3 Leasehold Deeds of Trust

Lessors hereby consent to the encumbrance of the leasehold and mooring rights created by this Lease to the Trustee (as hereinafter defined) in connection with the financing described in Section 19.2 hereof. The approval of the Board of

Public Service may be evidenced by its signature of an endorsement to this Lease.

ARTICLE XII ENVIRONMENTAL

Section 12.1 Environmental Obligations

Lessee agrees to abide by all City ordinances, state laws, federal laws, Coast Guard, Corps of Engineers and any other properly applicable governmental regulatory requirements, including, but not limited to, any and all such provisions regulating and/or relating to the: (i) transportation, storage, use, manufacture, disposal, discharge, release or spilling of hazardous substances; (ii) transportation, storage, use, recovery, disposal, discharge, release or spilling of oil; (iii) discharges of effluents, pollutants and/or toxic pollutants to either publicly owned treatment works or directly to waters of the United States or tributaries thereof; (iv) emissions, release or discharges of pollutants and/or other substances into the air or land; (v) transportation, storage, treatment, disposal, discharge, release or treatment of infectious waste, (vi) transportation, storage, treatment, recycling, reclamation, disposal, discharge, release, or spilling of solid waste; and (vii) transportation, storage, or disposal of waste tires, used white goods and other appliances, waste oil, and/or used lead acid batteries. Lessee shall call to the attention of the proper enforcement authorities any violation of any federal or state law or City ordinance occurring in the Mooring Area or Levee of which Lessee has actual knowledge.

Should Lessee's operation in the Mooring Area or Levee violate any provision of federal and/or state laws or regulations, Lessee shall, immediately upon becoming aware of the existence of such violation, notify the Port Authority and undertake whatever action is necessary to remedy the violation and comply with the applicable provision(s), including but not limited to the institution of legal proceedings seeking an injunction in a court of competent jurisdiction. Should Lessee fail to remedy violation, the City Counselor may notify Lessee of its intent to undertake remedial action. If Lessee fails to then institute reasonable remedial action within 96 hours of receiving said notice, the City may take whatever action is necessary to remedy the violation. In the event that pursuant to the previous sentence the City remediates an environmental condition in the Mooring Area or Levee, the Lessee shall reimburse the City for all costs incurred by the City in remedying such violation, including, but not limited to, reasonable attorneys' fees and

expenses, litigation costs, fees for engineering and consulting services, and costs of testing, remediation, removal and disposal.

Section 12.2 Underground Storage Tanks

Lessee shall not remove any underground or aboveground storage tanks located in the Mooring Area or Levee without first obtaining the written consent of the Port Commission, which consent shall not be unreasonably withheld. In no event shall Lessee abandon in place an underground storage tank. Nor shall Lessee install any underground or aboveground storage tanks in the Mooring Area or Levee without first obtaining the permission of the Port Authority. Unless specifically stated elsewhere in this Agreement, the Port Commission shall have the absolute discretion to approve or deny a request by Lessee to install a new underground or aboveground storage tank. Notwithstanding the foregoing provisions, where the Lessee proposes to replace an existing underground or aboveground storage tank with a new tank, the Port Commission shall not unreasonably withhold permission therefor.

Section 12.3 Environmental Authorization

Unless specifically stated elsewhere in this Agreement, the Lessee must obtain the explicit written permission of the Port Commission prior to applying to an agency or agencies of the state and/or federal governments for a permit or license to:

- A. treat, store or dispose of hazardous substances;
- B. treat, store or dispose of waste oil;
- C. treat, store, process, manage, recycle or dispose of solid waste;
- D. operate a waste tire site or waste tire processing facility; or
- E. manufacture hazardous or toxic substances;

on all or a portion of the Mooring Area or Levee. Lessee shall not engage in any of the operations enumerated above, for which a federal and/or state permit or license is required, without first obtaining explicit written permission therefor from the Port Commission. Lessee shall not apply for a permit or license to allow it to place, nor shall Lessee place, any fill or dredged material into the waters of the United States or tributaries thereof which are adjacent to or in the Mooring Area or Levee without first obtaining the explicit written approval of the Port Commission therefor.

Section 12.4 Termination

Lessee agrees and warrants that, upon termination of Lessee's tenancy of the Mooring Area and Levee pursuant to the terms of this or a subsequent Agreement, it shall return the Mooring Area and Levee to the City free of any and all hazardous or toxic substances, hazardous waste, infectious waste, solid waste (unless disposal of solid waste on the leasehold was specifically permitted by the terms of this Agreement or a subsequent written document executed on behalf of, and authorized by, the Port Commission), pollutants, and contaminants which were placed, released, discharged, disposed, and/or spilled on or into the Mooring Area or Levee during Lessee's tenancy. Lessee shall, upon termination of its tenancy, remove all product(s) or waste(s) stored in underground or aboveground storage tanks, located on the Mooring Area or Levee, which were installed or used during the term of this Agreement. Upon termination of tenancy, Lessee shall also perform tank tightness testing on all underground and aboveground storage tanks and connecting piping, installed or used during the term of this Agreement, and shall either remove or repair any tanks or piping which fail such tests. Lessee shall also either remove or decontaminate any soil contaminated by leaks from storage tanks or connecting piping installed or used during the term of this Agreement. In the event that Lessee fails to perform its obligations pursuant to this Section, the City shall give Lessee notice of said failure within thirty (30) days of discovering the Lessee's default of its obligations under this Section. If Lessee fails to fully comply with its obligations hereunder within thirty (30) days of such notice, the City may undertake such actions as are necessary to bring the Mooring Area and Levee into compliance with the standards set out herein. In the event that the City is required to undertake actions to bring the Mooring Area and Levee into compliance with said standards, Lessee shall reimburse the City for all costs thereof, including, but not limited to, reasonable attorneys' fees and expenses, litigation costs, fees for engineering and consulting services, costs of testing, removal, and/or remediation, and disposal costs.

Section 12.5 Compliance

Lessee shall, with respect to its use of the Mooring Area and Levee, periodically furnish the Port Authority with satisfactory proof that it is in full compliance with any and all federal and/or state laws and regulations and City ordinances relating to or concerning air quality, water quality, noise, hazardous or toxic materials, hazardous wastes, infectious wastes, solid wastes, underground storage tanks and hazardous building materials. Further, Lessors shall have the right to inspect any and all portions of the Mooring Area and

Levee, including facilities or vehicles located thereon, at any time during normal business hours or at any time if Lessors have reason to believe that a violation of any federal or state law or City ordinance has occurred or is about to occur.

ARTICLE XIII IMPOSITIONS

Section 13.1 Taxes and Impositions

A. Lessee agrees to pay ad valorem taxes on boats, vessels, watercraft, or ancillary facilities that may be constructed on the Levee or moored in the Mooring Area and on any operations within the Levee or Mooring Area, including all other owned property and equipment, and it is agreed that the Lessee will not deny the authority of the proper assessing agency to assess ad valorem taxes on said vessels or improvements. The Lessee reserves the right to appeal the amount of such assessments in any court of competent jurisdiction or other tribunal established by law to correct the valuation of the property on which the assessment of such tax is based.

ARTICLE XIV INSURANCE

Section 14.1 Insurance

Lessee agrees to secure, maintain, and keep in force at all times during the term of this Agreement and any renewal or extension hereof, at Lessee's sole cost and expense: (i) Commercial general liability insurance on an "occurrence basis" against claims for "personal injury" including, without limitation, bodily injury, death and property damage occurring on, in or about the Mooring Area and Levee; such insurance shall afford immediate minimum protection of \$1,000,000 combined single limit per occurrence; (ii) worker's compensation insurance in full compliance with all applicable state and federal laws and regulations; and (iii) commencing on the Casino Opening Date, business interruption insurance insuring Lessee (naming each leasehold mortgagee, the City, and the Port Authority, as their interests may appear as additional insureds) against the actual loss of average daily net profits, Base Rent and Additional Rent fixed charges and expenses, including extra expense coverage, which may be occasioned by a casualty or catastrophe which interrupts the normal business and earnings of Lessee and Lessee's ability to pay the Base

Rent and Additional Rent due under this Agreement. Such policy may contain a time deductible of not more than 72 hours.

Section 14.2 Form of Insurance and Insurers

Policies of insurance provided for under this Agreement shall be effected under valid and enforceable policies, in such form as shall be approved by the Comptroller as to surety and reserving the right of recovery by Lessors in the event of damage to Port Authority or City owned property. All such policies of insurance shall be issued by insurance companies of recognized responsibility which are reasonably satisfactory to Comptroller and which are licensed to transact business in the State of Missouri (although Lessee may utilize excess lines insurance carriers, who may not be so licensed, for its marine insurance). Each insurance policy required to be obtained under this Agreement shall name the Lessors and any Leasehold Mortgagee as additional insureds thereof. Included in the appropriate insurance policy shall be coverage providing for the removal of any portion of the Gaming Vessel(s) when damaged or sunken from any cause whatsoever and this clause shall be expressed as a specific warranty by the insurance company regardless of cause.

In addition, all such policies of insurance shall contain (i) contractual liability endorsements covering the agreements of Lessee to indemnify the Port Authority and the City from and against all cost, expense and/or liability as contractually undertaken by Lessee under the terms of this Agreement, (ii) a provision that no act or omission of Lessee which would otherwise result in forfeiture or reduction of the insurance therein provided shall affect or limit the obligation of the insurance company so to pay the amount of any loss sustained, and (iii) an endorsement providing that such insurance may not be materially changed, amended or canceled with respect to the City except after at least sixty (60) days prior written notice from the insurance company to the Comptroller, sent by registered mail.

Section 14.3 Cancellation of or Failure to Obtain Insurance

In the event that any policy which Lessee is required to obtain pursuant to the provisions hereof is canceled by the insurer, Lessee shall be required to obtain replacement insurance, and provide proof thereof to the Comptroller, prior to the date that the cancellation becomes effective. Lessee shall cause the insurance company to notify the Comptroller of the renewal of all insurance required pursuant to the provisions of this Article XIV.

If Lessee at any time fails or refuses to procure and maintain the required amount of insurance, then Lessors may, and without notice to Lessee, obtain same for and on behalf of Lessee and charge the cost thereof to Lessee, such charge to be due and payable upon demand and shall be Additional Rent hereunder.

Section 14.4 Delivery of Insurance Policies

Each insurance policy required to be obtained pursuant to this Agreement, or a copy, or certificate thereof, together with reasonably satisfactory evidence of payment of the premium thereof, shall be delivered to the Comptroller on or before the date the Gaming Vessel(s) are moored or installed within the Mooring Area, and upon renewals of such policies, not less than the date of expiration of any prior coverage.

ARTICLE XV INDEMNIFICATION

Section 15.1 Indemnification

Lessee agrees to hold harmless and defend the Lessors from any and all claims for injuries or damages resulting from or arising out of Lessee's use of the Mooring Area or Levee.

Section 15.2 Environmental Indemnity

Lessee, its successors and assigns, shall forever indemnify, defend and hold harmless the City of St. Louis, the St. Louis Port Authority, its directors, officers, employees and agents, and successors and assigns, from and against all harms, including without limitation, damages, liabilities, losses, demands, claims, cost recovery actions, lawsuits, administrative proceedings, orders, response costs, compliance costs, investigation expenses, consultant fees, attorneys' fees, paralegals' fees and litigation expenses, arising from:

- A. any hazardous substance discharged by Lessee, its successors or assigns, at the Mooring Area or Levee;
- B. the operation of any applicable Environmental Law against Lessee involving the Mooring Area or Levee;

C. the violation at the Mooring Area or Levee or by Lessee of any applicable Environmental Law; or

D. any third party claims or suits filed or asserted involving Hazardous Material at the Mooring Area or Levee.

Lessee, and its successors and assigns, shall pay all costs and expenses incurred by Lessors and their successors and assigns, to enforce the provisions of this indemnification, including without limitation, reasonable attorneys' and paralegals' fees and litigation expenses. The obligations and indemnification of Lessee under this Section shall survive the termination of this Agreement and shall remain in force beyond the expiration of any applicable statute of limitations and the full performance of Lessee's obligations hereunder.

Lessee shall be required to purchase and maintain environmental impairment liability insurance during the term of this Agreement in the amount of One Million Dollars (\$1,000,000.00), or such other amount as shall be reasonably determined solely by the Port Commission, and naming the Lessors as additional insureds, if:

(1) at any time more than a reportable quantity of a hazardous substance, oil or infectious waste will be stored or otherwise present in violation of law on the Mooring Area or Levee in any type of container(s) (including, but not limited to, drums, barrels, boxes, bags, tank trucks or trailers, rail cars or storage tanks, whether above or below ground);

(2) Lessee is required by federal or state law and/or regulation, as a result of or in connection with Lessee's operations in the Mooring Area or Levee, to obtain a permit for (a) discharges of effluents, pollutants, toxic pollutants or other substances into waters of the United States, tributaries thereof, sewer systems and/or publicly owned treatment works; (b) discharges of effluents, pollutants or toxic pollutants to a sewer system and/or publicly owned treatment works subsequent to pretreatment thereof; (c) emissions, release or discharges of pollutants or other substances into the air or land; (d) treatment, storage or disposal of hazardous waste(s); (e) treatment, storage or disposal of infectious waste(s); (f) treatment, storage, processing, management, recycling or disposal of solid waste(s); (g) operation of a waste tire site or waste tire processing facility; or (h) placement of fill or dredged material into the waters of the United States or adjacent property;

(3) Lessee files reports required by Environmental Laws or is otherwise required to obtain a hazardous waste generator identification number from either the federal or a state government;

(4) Lessee engages in the recycling, recovery or reclamation of solid wastes or hazardous materials in the Mooring Area or Levee;

(5) Lessee engages in the manufacture of hazardous, extremely hazardous, and/or toxic substances in the Mooring Area or Levee.

The environmental impairment liability insurance required pursuant to the terms of the preceding paragraph shall provide coverage for unexpected and unintended liability, damages and injuries arising or resulting from sudden and accidental, continuous or repeated discharges, spills and releases, into or onto the air, water, soil, sewer system or similar media, of any hazardous substance, hazardous waste, pollutant, toxic pollutant, extremely hazardous substance, toxic substance, infectious waste, solid waste, or similar material or substance, which disposal, discharge, release or spill occurs on or from the Mooring Area or Levee. The amount of environmental impairment liability insurance required hereunder may be adjusted at five year intervals beginning March 1, 2002, upon recommendation of the Port Commission and approval of the Board of Public Service. Lessee shall give notice to Lessors before December 31 preceding each adjustment date of the provisions of this Section. Such recommendation shall be made at least thirty (30), but no more than sixty (60) days prior to expiration of each five year period. The amount of environmental impairment liability insurance required shall not increase more than twenty five percent (25%) in any five year period. If no recommendation is made by the Port Commission to adjust the amount of insurance required for a five year period prior to expiration of the previous five year period, or if the Port Commission recommendation is not approved by the Board of Public Service, the amount of insurance required shall automatically increase by fifteen percent (15%).

Any insurance policy which Lessee is required to obtain pursuant to the provisions of this Article shall provide that said policy may not be canceled except upon the giving of thirty (30) days notice of such cancellation to the Office of the Comptroller of the City of St. Louis. In the event that Lessee receives notice that any policy which Lessee is required to obtain pursuant to the provisions hereof is to be canceled by the insurer, Lessee shall be required to obtain replacement insurance, and provide proof thereof to the Comptroller's Office prior to the date that the cancellation becomes effective.

The Lessee shall notify or cause the insurance company to notify the Comptroller's Office of the renewal of all insurance required pursuant to the provisions of this Article or of the cancellation of same.

ARTICLE XVI EVENT OF DEFAULT

Section 16.1 Event of Default

The occurrence of any of the following shall constitute a material default and breach of this Agreement by Lessee (an Event of Default):

A. if Lessee fails to pay any Base Rent or Additional Rent or other charges, or any part thereof, payable to Lessors hereunder, when and as the same shall become due and such failure shall continue for ninety (90) days after notice thereof from Lessors to Lessee;

B. if Lessee shall sell, assign, pledge, mortgage, transfer, or sublet this Agreement, the Levee, the Mooring Area, the Mooring Rights, or any part thereof or any rights hereunder, in whole or in part, either voluntarily or by operation of law, except as specifically authorized in this Agreement;

C. if Lessee is denied approval to relocate the Admiral to the Mooring Area by the Commission, or if, after first obtaining such approval, Lessee for any reason ceases to be licensed to conduct a gambling operation pursuant to the laws of the State of Missouri, or the License of Lessee is suspended or revoked, or an action is instituted to suspend or revoke any gaming related license or approval held by Lessee in any other jurisdiction or State and such denial, revocation or suspension shall continue for more than thirty (30) continuous days; provided, however, Lessee shall have the right to contest, by appropriate proceedings, the denial, revocation or suspension of its license in which event this Agreement shall remain in effect during the pendency of any such proceeding, regardless of whether Gaming operations continue during such pendency, and if, as a result of such proceedings or during the pendency thereof, Lessee's Gaming License is restored or reactivated, then this Agreement shall continue in full force and effect;

D. if Lessee fails to maintain the insurance required by Article XIV hereof and such failure shall continue for ninety (90) days after written notice thereof from Lessors to Lessee;

E. if Lessee shall fail continuously to operate its gaming business for any reason for any period beyond one (1) year;

F. if Lessee shall fail to observe, perform or comply, in any material respect, with any of the terms, covenants and conditions in this Agreement other than those specified in subparagraphs (A), (B), (C), (D) and (E) above (or which result from any of the events therein referred to), and shall fail to remedy such default within ninety (90) days after the receipt of written notice from Lessors specifying the nature of such default, provided, however, that if any such default cannot with due diligence be cured by Lessee within ninety (90) days, and if Lessee commences to cure the default within ninety (90) days and diligently prosecutes the cure to completion, then the ninety (90) day period shall be extended for the period of time required for Lessee to complete the cure.

Section 16.2 Remedies in the Event of Default

A. Upon the occurrence of any Event of Default, Lessors, at their option, shall have the right at any time thereafter, and without prejudice to any other right or remedy Lessors may have hereunder, to declare Lessee's Leasehold Interests, this Agreement and all rights of Lessee under this Agreement as terminated, and Lessee shall remain liable as hereinafter provided; provided, however, anything herein to the contrary notwithstanding, termination of the Mooring Rights shall be the sole and exclusive remedy for any default referred to in Section 16.1(C), and, upon exercising such remedy, Lessee shall thereupon be relieved, as of the date of termination of this Lease, of any further liability or obligation hereunder other than any such liability or obligation arising or relating to events occurring prior to the effective date of such termination. The City Counselor shall provide Lessee with written notice specifying the date of termination of this Agreement, which shall not be less than thirty (30) days from the date of the notice.

Upon any such expiration or termination of Lessee's Leasehold Interests and this Agreement, but subject to the rights of any Leasehold Mortgagee, Lessee shall quit and peacefully surrender the Mooring Area and Levee to the Port Authority and to the City, respectively, and the Port Authority and the City, upon any such expiration or termination, may without further notice enter upon and re enter the Mooring Area and Levee and possess and repossess themselves thereof, by summary proceedings, ejectment or other appropriate suit, and may dispossess Lessee and remove Lessee persons and property from the Mooring Area and Levee and have the right to hold and enjoy the Mooring Area and

Levee and receive all rental and other income therefrom without payment of any kind to Lessee, except that any amounts so received by Lessors shall be credited against amounts otherwise due by Lessee to Lessors hereunder.

B. If Lessors shall terminate Lessee's Leasehold Interests and this Agreement, Lessors may recover from Lessee, and Lessee shall immediately pay to Lessors all then accrued but unpaid Base Rent and Additional Rent and other amounts then accrued under this Agreement.

C. If Lessee's Leasehold Interests and this Agreement shall expire or be terminated, or if the Mooring Area and Levee, or any part thereof shall be abandoned by Lessee, or shall become vacant during the term hereof, the Port Authority or the City, as the case may be, may in its own name, or as agent for Lessee if Lessee's Leasehold Interests and this Agreement not be terminated, but subject to the rights of any Leasehold Mortgagee, enter into possession of and relet the Mooring Area and Levee, or any part thereof, or the Mooring Area and Levee with additional area, for such term or terms (which may be greater or less than the period which would otherwise have constituted the balance of the term of this Agreement) and on such conditions as the Port Authority or the City, as the case may be, in its discretion, may determine, and may collect and receive the rents therefor.

ARTICLE XVII HOLDING OVER

Section 17.1 Holding Over

If the Lessee remains in possession of the Mooring Area or Levee after the expiration of the term for which it is leased and the Lessee pays rent and the Lessors accept said rent, such possession shall be construed as creating a month to month tenancy and not a renewal or extension of this Agreement but such month to month tenancy shall not continue for more than one (1) year.

ARTICLE XVIII SURRENDER OF PREMISES

Section 18.1 Surrender of Premises

A. Upon the expiration or earlier termination of the Mooring Lease Term Lessee agrees to quit and surrender the Mooring Area and Levee, (i) free and

clear of all liens and encumbrances and any and all hazardous substances, spilled or discharged into or on the Mooring Area or Levee during the Lessee's tenancy and (ii) in the same condition and repair as on the Casino Opening Date, ordinary wear and tear excepted, at Lessor's option.

B. If requested by Lessors to do so, Lessee shall execute, acknowledge and deliver to Lessors such instruments of further assurance as in the reasonable opinion of Lessors or their counsel are necessary or desirable to confirm or perfect Lessors' right, title and interest in and to all of the Mooring Area and Levee, and/or any and all improvements or other property constructed, installed or placed within or upon the Mooring Area and Levee, or within a public right of way and which Lessors are to receive pursuant to this Agreement.

Section 18.2 Survival of Lessee's Obligations

Lessee's obligations under this Article XVIII shall survive the expiration or earlier termination of the Mooring Lease Term.

ARTICLE XIX

AMENDMENT AND CONSENT TO ASSIGNMENT OF 1983 LEASE

Section 19.1 1983 Lease

The City and S.S. Admiral Partners entered into a Lease Agreement dated as of December 20, 1983, recorded in Book M939 page 338 in the Office of Recorder of Deeds of the City of St. Louis, Missouri, which was amended and/or assigned by Amendment and Assignment of Mooring Lease dated as of December 12, 1992, Second Amendment to Lease Agreement dated as of June 19, 1992, Assignment of Lease dated as of December 17, 1992 (as so assigned and amended to the date hereof, the "1983 Lease"). Lessee is the successor in interest to S.S. Admiral Partners as the result of assignments.

Section 19.2 Proposed Financing

Lessee and Lessee's parent, President Casinos, Inc., are entering into certain financing transactions with United States Trust Company of New York ("Trustee"), whose mailing address is 114 West 47th Street, New York, New York 10036, as trustee for the holders of evidence of indebtedness. Pursuant to such financing transaction, Lessee will grant to Trustee a Future Advances Leasehold and Improvements Deed of Trust, Security Agreement and Fixture Filing (the "Deed of Trust") covering the property and rights described in the

1983 Lease, as well as other collateral, to secure the indebtedness incurred in the financing transaction.

Section 19.3 Consent to Assignment/Encumbrance

The 1983 Lease provides that any assignment or transfer of such Lease shall be valid only with the approval of the Board of Public Service and the Port Commission. To the extent that the contemplated encumbrance of the leasehold created by the 1983 Lease and any conveyance to a purchaser at foreclosure may be deemed assignments or transfers of the 1983 Lease, such encumbrance and conveyance are hereby approved by the City and the Port Authority and the approval of the Board of Public Service may be evidenced by its signature of an endorsement to this Lease.

Section 19.4 Redefinition of Original Leased Area

The 1983 Lease leases to Lessee the following mooring privileges:

Extending from a point fifty feet (50') south of the eastern prolongation of the south line of Washington Avenue; thence southward Four Hundred Sixty feet (460') for the exclusive right to moor the S.S. Admiral.

In order to define an area which can be subjected to a recordable leasehold deed of trust, the 1983 Lease is hereby amended to describe the following as the mooring area within which the mooring privileges may be exercised:

Extending from a point fifty feet (50') south of the eastern prolongation of the south line of Washington Avenue where such prolongation intersects with the easterly right of way of Leonor K. Sullivan Boulevard; thence southward Four Hundred Sixty feet (460') along said easterly right of way of Leonor K. Sullivan Boulevard; thence eastward Four Hundred Feet (400'); thence northward Four Hundred Sixty feet (460') parallel to Leonor K. Sullivan Boulevard; thence westward Four Hundred feet (400') to the point of beginning.

It is understood and agreed that the mooring privileges apply only to that portion of the above area which is from time to time under water, provided that the foregoing shall not limit the rights in respect of the use of the levee or improved wharf area presently accorded by the 1983 Lease, including access to Leonor K. Sullivan Boulevard.

Section 19.5 Reaffirmation of 1983 Lease

Except as amended hereby, the 1983 Lease is hereby reaffirmed by the parties hereto.

Section 19.6 Termination of 1983 Lease

The 1983 Lease shall remain in full force and effect until the Casino Opening Date as defined in this Lease, whereupon the 1983 Lease shall be surrendered by Lessee, and shall terminate and be of no further force and effect. Lessee shall remain liable for any and all rents payable under the terms of the 1983 Lease through the Casino Opening Date.

ARTICLE XX MISCELLANEOUS PROVISIONS

Section 20.1 Coast Guard Certificate

Lessee shall present to the Port Authority on an annual basis the Coast Guard certificate of inspection, if any shall be required, obtained for the Casino Project and a marine survey, if required by law, of the safety of the facilities and improvements, including the Casino Project.

Section 20.2 Mooring of Vessels

All Gaming Vessels shall be moored within the Mooring Area in such a manner and in such number so as not to violate any applicable permits obtained by Lessee from the U.S. Corps of Engineers.

Section 20.3 Auxiliary Craft

No auxiliary craft shall be moored permanently to any vessel within the Mooring Area except for public safety reasons and maintenance; provided, however, that maintenance craft shall be moored only during the period in which maintenance is taking place.

Section 20.4 Notices

All notices, demands, request or other communications (◆notices◆) required or permitted by this Agreement shall be in writing and shall be deemed to be received (i) when actually received by any person at the intended address if personally served, or (ii) on the next business day if sent by recognized and

reliable air or surface courier services, whether actually received or not, or (iii) when sent by facsimile telecopy provided the equipment used can provide a reliable written confirmation of receipt and provided an original copy is delivered by mail; or (iv) three (3) business days after deposit in the United States mail, certified mail, return receipt requested, addressed as follows:

If to Port Authority: Port Authority of the City of St. Louis
1015 Locust Street, Suite 1200
St. Louis, MO 63101
Attention: Executive Director
Telecopy No.: (314) 231 2341

If to City: Comptroller of the City of St. Louis
Room 212, City Hall
St. Louis, MO 63103
Telecopy No.: (314) 622 4354

Copy to: City Counselor
Room 314, City Hall
St. Louis, Missouri 63103
Telecopy No.: (314) 622-4956

If to Lessee: President Riverboat Casino Missouri, Inc.
802 North First Street
St. Louis, Missouri 63101
Attention: Mr. John S. Aylsworth
Mr. James A. Zweifel
Telecopy No.: (314) 622 3172

Copy to: Thompson Coburn
One Mercantile Center
St. Louis, Missouri 63101
Attention: Michael Lazaroff, Esq.
Telecopy No.: (314) 552 7000

Any party hereto may, in substitution of the foregoing, designate a different address or addresses within the continental United States for purposes of this Section, or change address of those parties, or add additional parties entitled to receive copies of notices, by written notice delivered to the other party or parties in the manner prescribed, at least ten (10) days in advance of the date upon which such change of address is to be effective.

Any notices relating to maintenance shall be given to those parties locally responsible as hereinafter designated by the parties upon completion of the anticipated improvements.

Section 20.5 Entire Agreement

This Agreement sets forth the entire agreement between the parties. There are no understandings, agreements, statements, promises, representations or warranties, express or implied, respecting the Mooring Area or Levee and this Agreement (including, but not limited to the consideration to be paid by Lessee hereunder) which are not specified herein. This Agreement shall not be modified, amended or supplemented except by a writing subscribed to by the parties hereto, approved by the Board of Public Service, and authorized by ordinance.

Section 20.6 Survival of Covenants

All representations, warranties and indemnities set forth in this Agreement shall survive the execution hereof and the closing of any real estate transaction contemplated hereby.

Section 20.7 Multiple Counterparts

This Agreement may be executed in a number of identical counterparts and if so executed, each such counterpart is deemed an original for all purposes, and all such counterparts shall collectively constitute one Agreement.

Section 20.8 Binding Effect

The terms, conditions, provisions and covenants of this Agreement shall run with this Lease and shall be binding on and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors or assigns.

Section 20.9 Future Acts

In addition to the acts and deeds recited in this Agreement and contemplated hereby, the parties hereto shall execute any and all additional agreements as may be necessary to consummate the transactions contemplated by this Agreement.

Section 20.10 Effective Date of Agreement

The Effective Date of this Agreement shall mean the date on which a copy of this Agreement has been fully executed by the parties hereto and all changes to the typewritten portion hereof initialed by both of the parties.

Section 20.11 Time of the Essence

Time is of the essence with respect to the performance of this Agreement and each and every provision contained herein.

Section 20.12 Attorneys' Fees

In the event a dispute arising between the parties hereto, except as otherwise provided herein, each party shall be responsible for payment of its own attorneys' fees and court costs, if any, incurred in connection with such dispute.

Section 20.13 Venue and Jurisdiction

Each party to this Agreement hereby submits to the jurisdiction of the State of Missouri and the courts thereof for the purposes of any suit, action or other proceeding arising out of or relating to this Agreement. If and in the event of a dispute arising hereunder, venue shall be vested in the Circuit Court of City of St. Louis, State of Missouri, or, if jurisdiction exists, in the Federal District Court sitting in St. Louis, Missouri. Lessee acknowledges that it has negotiated this Agreement in the City of St. Louis, Missouri, and has made numerous business contacts and entered agreements relating to real estate and other matters sufficient to confer jurisdiction of the courts of the City of St. Louis, State of Missouri.

If at any time during the term of this Agreement, Lessee, or any successor or assignee of Lessee, is not a resident of the State of Missouri or has no officer, director, employee or agent thereof available for service of process as a resident of the State of Missouri, Lessee or its successor or assignee hereby designates the Secretary of State, State of Missouri, as its agent for the service of process in any court action between it and Lessors or arising out of or relating to this Agreement.

Section 20.14 Authorization and Capacity

The parties hereto represent to each other that each has the full right, power and authority to enter into this Agreement and to fully perform its obligations. The

persons executing this Agreement warrant and represent that each has the authority to execute in the capacity stated and to bind the parties hereto.

Section 20.15 Non Severability

All provisions of this Agreement are material and substantive and therefore, if any provision of this Agreement or the application thereof to any person or circumstance shall to any extent be held void or invalid, then the entire Agreement shall be held invalid and of no force and effect. Notwithstanding anything contained herein to the contrary, in the event that this Agreement is held invalid, Lessee shall remain liable to Lessors for the payment of all Gaming Rent owed hereunder for the period during which Lessee was in possession of the Mooring Area and Lessee shall promptly remove the Casino Project and other Improvements in accordance with, and subject to, the provisions of Article XVIII.

Section 20.16 Non Waiver

Failure by either party hereto, at any time, to require the performance by the other of any term of this Agreement, shall not in any way effect the right of either party to enforce such terms, nor shall any waiver by either party of any term hereof be taken or held to be a waiver of any other provision of this Agreement. No waiver of any term or provision of this Agreement shall be effective unless the same is in writing, signed by the parties hereto.

Section 20.17 Governing Law

This Agreement is entered into in the State of Missouri and shall be construed, enforced and governed, as to both validity and performance, in accordance with the laws of the State of Missouri and all of the rights and obligations of the parties hereunder shall be determined in pursuant to the laws of the State of Missouri.

Section 20.18 Memorandum of Lease

Upon execution of this Agreement (or as soon thereafter as legal descriptions of and the Mooring Area are available), the parties hereto shall execute a Memorandum of Lease in recordable form and Lessee shall, at its own expense, have such Memorandum of Lease recorded in the Office of the Recorder of Deeds for the City of St. Louis and have the Register of the City of St. Louis make a microfilm copy hereof. In no event shall such Memorandum be deemed to modify or to change any of the provisions of this Agreement.

Section 20.19 Perpetuities Savings Clause

To the extent any of the interests in real estate granted, leased, demised or conveyed hereunder are deemed contingent or otherwise not vested, for any reason, the same shall vest, if at all, not later than 21 years (less one day) after the death of the last to die of all currently living descendants of Joseph P. Kennedy, deceased, father of the late President of the United States, John F. Kennedy, and if not so vested on or prior to said date, shall terminate and be of no further force or effect whatsoever.

Section 20.20 Modification for Municipal Purposes

A. The City reserves the right to modify, amend or cancel this Agreement in the event that all or any portion of the Mooring Area is needed by the City for right of way, sewer, floodwall, or floodwall construction purposes or any other emergency or extraordinary municipal purposes or uses. The City shall have the right to modify, amend or cancel this Agreement upon one (1) year's written notice thereof to Lessee and to eliminate such portion of the Mooring Area as shall be needed by the City for municipal purposes. In such event, it is agreed and understood by Lessee that no claim or action for damages or other compensation shall arise or be allowed by reason of such termination or modification.

B. If this Agreement is amended or modified under the provisions of this Section 20.20, the Base Rent for the Mooring Area shall be adjusted in direct proportion to the change made in the Mooring Area. If the remaining area is not suitable to the Lessee, Lessee shall have the right to terminate this Agreement without penalty by written notice to the City within ninety (90) days after receipt of the notice to modify or amend this Agreement.

C. In the event this Agreement is canceled, modified or amended under the provisions of this Section 20.20, the City shall cause Lessee to be reimbursed for the depreciated cost of the non-removable capital improvements Lessee has made and paid for and which capital improvements have been made pursuant to the written approvals of Lessors. It is agreed and understood that the term capital improvements shall not include wharf boats, vessels (including but not limited to Gaming Vessels) or other floating or transferable stationary improvements unless permanently affixed to real estate. Such reimbursement shall be made by or as part of the cost of the intended new use. Reimbursement will not be based on anticipated profits from the operation of Lessee's business, and no funds from the City's general revenue shall be used for this purpose.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

LESSEE:

ATTEST: PRESIDENT RIVERBOAT CASINO MISSOURI, INC., a Missouri corporation

By:

Its:

LESSORS:

ATTEST: PORT AUTHORITY OF THE CITY OF ST. LOUIS

By:

Its:

APPROVED AS TO FORM ONLY:

GENERAL COUNSEL, PORT AUTHORITY OF THE CITY OF ST. LOUIS

CITY OF ST. LOUIS

ATTEST: By:

MAYOR

By:

CITY REGISTER

COMPTROLLER

APPROVED AS TO FORM ONLY:

CITY COUNSELOR

THE BOARD OF PUBLIC SERVICE OF THE CITY OF ST. LOUIS hereby approves the foregoing Lease Agreement, including Article XIX thereof which amends the Lease Agreement dated December 20, 1983, between the City of

My term expires:

STATE OF MISSOURI)

CITY OF ST. LOUIS) ss. On this _____ day of _____, 1998, before me appeared _____ and _____, to me personally known, who being by me duly sworn, did say that they are the Mayor and the Comptroller of the City of St. Louis and that they are authorized to execute this Lease Agreement on behalf of the City of St. Louis under the authority of Ordinance No. _____ and acknowledged said instrument to be the free act and deed of the City of St. Louis.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the City and State aforesaid the day and year first above written.

Notary Public
My term expires:

STATE OF MISSOURI)

CITY OF ST. LOUIS) ss. On this _____ day of _____, 1998, before me appeared _____, to me personally known, who being by me duly sworn, did say that he is the Chairman of the Board of Public Service of the City of St. Louis, a political subdivision of the State of Missouri, and that he executed the foregoing instrument, and acknowledged that he executed the same as the free act and deed of said Board.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the City and State aforesaid the day and year first above written.

Notary Public
My term expires:

EXHIBIT 1

PERCENTAGE RENT

1. Two percent (2%) of Adjusted Gross Receipts for any Lease Year equal to or less than Eighty Million Dollars (\$80,000,000.00); plus
2. Three percent (3%) of that portion of Adjusted Gross Receipts for such Lease Year which exceed Eighty Million Dollars (\$80,000,000.00) but which are equal to or less than One Hundred Million Dollars (\$100,000,000.00); plus
3. Four percent (4%) of that portion of Adjusted Gross Receipts for such Lease Year, if any, which exceed One Hundred Million Dollars (\$100,000,000.00).

EXHIBIT 2

Commencing at the South End of the Floodwall Closure Structure (C-18) along Leonor K. Sullivan Boulevard, Station 16+36, south eight hundred feet (800) along the east curb line of Leonor K. Sullivan Boulevard, then east, perpendicular to curb line one hundred fifty feet (150), then north, parallel to the Leonor K. Sullivan Boulevard east curb line, eight hundred feet (800), then west one hundred fifty feet (150) to the point of beginning. The above occupied levee containing 120,000 square feet.

EXHIBIT 3

Eight Hundred Feet Mooring Rights (800) commencing at the South End of the Floodwall Closure Structure (C-18) along Leonor K. Sullivan Boulevard, Station 16+36, with a line perpendicular to the floodwall at that location, extending toward the Mississippi River, south 800 linear feet. No vessel(s) moored in the above mentioned area will be permanently moored within fifty feet (50) of the Martin Luther King Bridge. The above mooring area containing 800 linear feet.

EXHIBIT 4

SITE PLAN SHOWING PROPOSED IMPROVEMENTS

Legislative History				
1ST READING	REF TO COMM	COMMITTEE	COMM SUB	COMM AMEND
11/13/98	11/13/98	T&C		

2ND READING	FLOOR AMEND	FLOOR SUB	PERFECTN	PASSAGE
12/04/98			12/11/98	12/11/98
ORDINANCE	VETOED		VETO OVR	
64515				