**Special Covenant to Uniform Player's Contract.**

 **SPECIAL COVENANT TO**

**UNIFORM PLAYER'S CONTRACT ("CONTRACT")**

WHEREAS, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ("Player") and the National Baseball Club, Inc. ("Club") have indicated a willingness to enter into a multi-year contract for the years 1989 through 1990 with an option for the Club to extend for one additional year;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

 **SECTION A. COMPENSATION**

(1) The Club shall be obligated to pay the Player the following amounts:

|  |  |
| --- | --- |
| (a) For the 1989 contract year | $450,000.00 |
| (b) For the 1990 contract year | $550,000.00 |

(2) Payments for each contract year shall be made in 24 approximately equal semi-monthly installments beginning January 15 and ending December 31 of such year.

 SECTION B. INCENTIVE/PERFORMANCE BONUSES

(1) If during any contract year Player is selected to the League's All Star Team, he shall be entitled to a bonus of $15,000.00 which will be payable within 15 days of the official announcement of the selection.

(2) For each contract year, Player will be eligible to earn up to an additional $25,000.00 in performance bonuses based on the number of games in which he appears as follows:

|  Number of Games |  Bonus Increment |
| --- | --- |
| 115 | $5,000.00 |
| 125 | 5,000.00 |
| 135 | 5,000.00 |
| 145 | 5,000.00 |
| 150 | 5,000.00 |

Any performance bonus due shall be paid by November 15th of the year in which it is earned.

(3) If this Contract is assigned to another Club and the Player should subsequently become entitled to a bonus for the contract year in which the assignment occurs as a result of his being selected for the award or honor, the assignee Club shall be obligated to pay the applicable bonus as provided in (1) above; provided, however, should the Contract be assigned to a Club in the other League and the Player be selected for the award in both Leagues, he shall be entitled to no more than one bonus payment for the applicable award or honor. Player acknowledges that the provisions hereof constitute full and complete adjustment of this bonus provision as required under Major League Rule 9(e).

 SECTION C. TERMINATION

(1) Paragraph 7 of the Contract is hereby amended to add the following subparagraphs:

"(f) If at any time prior to November 1, 1990, the Club exercises its right to terminate the Contract under the provisions of Paragraph 7(b)(2), the Club guarantees to continue to pay any compensation installment which may thereafter become due under Section A of this Special Covenant as and when the same became due and payable. The Club's obligation under this subparagraph shall be in lieu of any obligation the Club would otherwise have for termination pay under Article VIII of the current Basic Agreement. In addition, the Club's obligation to make payment under this subparagraph for any year covered herein shall be subject to the limitations set forth in Paragraph E of said Article VIII of the current Basic Agreement so as to avoid any possible duplication of payment."

"(g) The Player and Club recognize that, if the Player should sustain a non-employment related injury (fatal or otherwise) or physical or mental illness or defect or other disability (such injury or disability hereinafter collectively and severally referred to as "injury") which would prevent, impair or destroy his ability and skill at any time prior to the end of the 1990 playing season, the Club may exercise its right to terminate or suspend the Contract under Regulation 2. However, if the Club exercises such right to terminate or suspend the Contract, it shall guarantee to continue to pay any compensation installment due under Paragraph 2 of the Contract and Section A of this Special Covenant as and when the same becomes due and payable only if the said injury is not as a result of:

(1) suicide or attempted suicide, intentional, deliberate or self-inflicted act or injury; or

(2) drug or alcohol abuse; or

(3) the criminal or felonious act of Player; or

(4) participation in other sports as set forth in Paragraph 5(b) of the Contract including, but not limited to any organized or impromptu game of football, volleyball, soccer, basketball, ice hockey, field hockey, polo, lacrosse or rugby; or

(5) participation in fencing, a boxing or wrestling match, mountain climbing, spelunking, parachuting, hang gliding, or scuba diving; or

(6) participation in tennis, racquetball (without the use of appropriate eye protective devices), jai-lai, squash; or

(7) skiing, surfing, any form of motorcycle or motor bike riding, ice boating or white-water canoeing; or

(8) participation in any form of competitive boating or sailing activity; or

(9) being either the pilot of, or passenger in, a private, non-commercial aircraft, other than flights arranged by the Club; or

(10) use of a trampoline, bobsled or snowmobile; or

(11) engaging in karate, jujitsu or judo; or

(12) participation in the "Superteams," "Superstars" or similar activities; or

(13) participation in any other sport or activity which is generally recognized by the general public as involving substantial risk of personal injury or death.

If the Player participates or engages in one of the above-enumerated activities without the prior written permission of the Club, and if the Player sustains an injury as a result of his participating or engaging in any of these activities, the Club may, at its option, suspend or terminate the Contract, in which event its obligation for payment of amounts under Paragraph 2 of the Contract and Section A of this Special Covenant shall be suspended or terminated accordingly. The Club's grant of permission to Player to participate or engage in a proscribed activity shall not alter the Club's right to suspend or terminate the Contract and any payment of amounts thereunder if an injury occurs unless the Club has specifically waived such right in writing. Similarly, no waiver or permission given by the Club at any time nor any failure by the Club to exercise its rights hereunder for any specific breach by Player, shall be deemed to constitute a blanket waiver or permission for subsequent activities, nor a relinquishment of the Club's right with respect to a subsequent breach of this provision."

(2) Notwithstanding the provisions of subparagraphs 7(f) and (g) as added to the Contract in this Section C, the parties further agree that the Club's obligation to guarantee to pay any compensation installment under Paragraph 2 of the Contract and Section A of this Special Covenant shall cease as of the date the Player voluntarily retires as an active player; or shall be suspended during the period that the Player is unable or unwilling to render his services due to:

(a) proper placement on any of the lists set out in Major League Rule 15;

(b) proper suspension under Major League Rule 13 or by proper action of the League President or Commissioner of Baseball;

(c) civil or criminal incarceration resulting from a conviction, provided further that in the event of such a conviction, the Club shall also be entitled to recover from Player by set-off or otherwise any sums paid to Player for any period of incarceration which occurred prior to such conviction but only with respect to the offense for which he was convicted; or

(d) the use of any type of illegal drug, the misuse of prescription or over-the-courter drugs, or alcohol dependency.

In the event payments are suspended under subparagraphs (a) - (d), of this Paragraph 2, Player shall be deemed to have forever relinquished any right to receive the payments thus suspended; provided, however, that the decision giving rise to the suspension under subparagraph (a) or (b) becomes final under the provisions of the then current Basic Agreement.

Additionally, in the event of a lockout by the Club during the term of this Contract which lockout has not been determined by a competent tribunal to be an illegal lockout, Player's right to receive compensation during the period of such lockout shall be determined in accordance with the terms of the Uniform Player's Contract as if the Club and the Player had not entered into this Special Covenant, it being understood that in the event of a lockout which is called during the term of a strike, the Club shall be relieved of its obligation to pay salary to Player during the term of such lockout.

(3) The parties further agree that the provisions of Regulation 2 of the Contract regarding an employment related injury or disability are hereby amended to the extent that the Club's obligation to make payment of compensation amounts shall continue during the term of the contract or the period that such injury or disability continues (whichever period is shorter). In the event of Player's death due to an employment related injury, the Club's obligation to make payment of any compensation installment shall continue during the term of the Contract with payment being made, when due, to the beneficiary designated in writing to the Club or, if none has been designated, then to the Player's estate.

(4) (a) The Player recognizes the significance of the Club's undertaking, especially with respect to its obligations under this Section C, and the fact that the Club desires to obtain term life insurance coverage and disability insurance coverage to cover its liability in the event of any employment or non-employment related injury. The Player agrees to cooperate fully with the Club in this regard. Notwithstanding any provisions herein to the contrary, if the Player fails or refuses to submit to any physical examination(s) required by the insurance company(ies) selected by the Club or makes any material misrepresentations or misstatement to the insurance company(ies) that would relieve the insurance company(ies) from liability (other than a return of premium), the Club will have no obligation under this Contract to the Player or his beneficiary for any payment of compensation after the date of the injury, other than its obligation to pay later for an employment-related injury in accordance with Regulation 2, with the playing season in which the injury was sustained being the maximum extent of the Club's obligation.

(b) Neither the Player nor his beneficiary shall have any right to the proceeds of any insurance policy obtained by the Club pursuant to this Paragraph (4), nor shall they be deemed to be the owner or beneficiary of said policy.

(5) In the event of Player's death under circumstances which would require continuation of immediate compensation payments by the Club, the balance of amounts due shall be paid to Player's beneficiary designated in writing to the Club, or, if none has been designated, to his estate, in the same time and manner as if the Player had not died.

(6) For purposes of calculating the amount of compensation from which the Club would be relieved if payment ceases or is suspended hereunder either prior to or during a playing season, the Player and Club agree, subject only to the terms of the then current Basic Agreement, that the amount shall each be proportionately reduced based on the number of days in the playing season affected by the occurrence giving rise to the cessation of suspension. For example, if the Player would actually retire on the 62nd day of a 178-day season, the Club would be obligated for only 62/178ths of each amount for that calendar year.

(7) Nothing in this Section C shall be deemed to limit or otherwise affect the Club's right to terminate the Contract for the reasons set out in subparagraph 7(b)(1) or 7(b)(3) of the Contract.

(8) (a) In the event the Contract is terminated and during its term the Player signs a player contract with another Major League Club or Clubs, notwithstanding anything to the contrary in this Section C, the Club's total obligations to the Player (including amounts deferred to later years, if any) in any year shall be reduced by the amounts which the Player earns during that year from any Club or Clubs, including amounts deferred to later years, if any, and bonuses.

(b) In the event the Player refuses to accept a reasonable Major League Contract offered by a Major League Club other than the Club which released him, the Player shall forfeit the portion of salary which would not have been payable had he accepted such other contract.

 SECTION D. ENDORSEMENT OR COMMERCIAL PRODUCTS

In recognition of the long-term nature of this Contract and the fact that the Club obtains advertising revenue from its parent company (Anheuser-Busch Companies, Inc.) or other subsidiaries of its parent company, Player agrees that, during the term of the Contract and provided that the Contract has not been terminated or assigned by the Club, he will not sponsor, endorse or promote any alcoholic beverages or other products, services or facilities, competitive with those of Anheuser-Busch Companies, Inc. and its subsidiaries, without the written consent of the Club.

 SECTION E. OPTION FOR 1991 CONTRACT YEAR

(1) The Club, in its sole and absolute discretion, has the option to extend this Contract to cover the 1991 Contract Year. On or before November 15, 1990, the Club must notify the Player if it does not intend to exercise the option. If the Club does not exercise the option, the Club agrees to pay the Player the sum of $150,000.00 which will be due and payable by November 30, 1990. If the Club exercises the option, Player's 1991 base salary shall be $775,000.00; provided, however, that if Player earns a performance bonus for the 1990 Contract Year pursuant to Section B(2), an amount equal to the 1990 performance bonus shall be added to his 1991 base salary. Player's base salary shall be payable as set out in Section A(2).

(2) In the event the option is exercised, the provisions of this Special Covenant shall be in full force and effect for the 1991 Contract Year; provided, however, the provisions of Section C shall be deemed to be automatically amended to change any references to the year 1990 to 1991.

 SECTION F. SIGNING BONUS

Upon approval of this Contract by the President of the National League, the Club shall pay the Player a signing bonus of $50,000.00.

IN WITNESS WHEREOF, the parties hereto have caused this Special Covenant to be executed this 12th day of January, 1989.

 NATIONAL BASEBALL CLUB, INC.

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 BY: General Manager

 CLUB

 BY: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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 PLAYER