

RESOLUTION R-5704

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AUTHORIZING DEVELOPMENT OF THE HOUGHTON PARK AND RIDE PROPERTY INTO A FIRST-CLASS ICEPLEX, RESTAURANT, AND COMMUNITY CENTER, INCLUDING DESIGN, CONSTRUCTION, LEASE, AND FUTURE OPERATION, IN PARTNERSHIP WITH THE SEATTLE HOCKEY PARTNERS, WHICH OWNS THE KRAKEN HOCKEY FRANCHISE, AND AUTHORIZING THE CITY MANAGER TO EXECUTE AGREEMENTS TO FACILITATE SAID DEVELOPMENT.

1 WHEREAS, in late 2023, the Seattle Kraken approached the City of Kirkland with a
2 proposal to develop a Kraken community skating facility ("Iceplex") and City-run community
3 center on the former Houghton Park & Ride site through a public-private partnership; and
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5 WHEREAS, the site is owned by the City and was purchased with park-impact fees,
6 providing a potentially viable location for a recreational facility; and
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8 WHEREAS, following negotiations between the parties, the proposed Iceplex will
9 include two ice rinks suitable for NHL practice use, a full-service public restaurant, and a City
10 community center, as described in the negotiated agreements; and
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12 WHEREAS, the City's 2022 Parks, Recreation, and Open Space Plan identified the
13 need for expanded multi-use recreational and community facilities and encourages pursuing
14 public-private partnerships to fund major parks and recreation projects whenever possible; and
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16 WHEREAS, community feedback, including the failure of the City's 2023 Parks Prop 1
17 ballot measure, emphasized that future large-scale recreation investments should minimize
18 new tax burdens and, where feasible, leverage public-private partnership models; and
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20 WHEREAS, this public-private partnership will advance the City's parks and recreation
21 objectives and address existing insufficiencies in facility space and will further create Kraken
22 skating facilities that will draw visitors from around the region and beyond to Kirkland; and
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24 WHEREAS, the negotiated agreements require a range of public-benefit programming,
25 including public skate sessions, youth and adult hockey programs, figure skating programs,
26 and girls' and women's hockey programs, along with low-income grants and discounted access
27 for disadvantaged users, thereby expanding equitable participation in ice sports and
28 community recreation; and
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30 WHEREAS, by partnering with the Seattle Kraken, the City has an opportunity to
31 leverage private capital and expertise, transfer development risk, and secure a long-term
32 community asset under public oversight and control, consistent with sound fiscal stewardship
33 and public benefit, and the partnership will additionally provide the City with a high-quality,
34 modern community center constructed by the Seattle Kraken, to be operated by the City for
35 public use; and
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37 WHEREAS, independent economic and feasibility analysis demonstrates a strong
38 return on investment and potential economic benefits for local businesses, including increased
39 sales, tax revenues, tourism, and revitalization of the surrounding 85th Street Station Area,
40 and, further, the City-commissioned analysis conducted by CAA ICON, an economic

consulting firm, projects upwards of \$7 million annually in economic development benefits for the Kirkland and greater Eastside community; and

WHEREAS, the City Council has previously adopted Resolution R-5645 on September 17, 2024, providing guiding policy for negotiations with the Kraken and has taken subsequent actions—including issuing a Request for Qualifications, selecting the Kraken partnership as developer, and authorizing staff to negotiate the required legal agreements for construction and long-term operation of the Iceplex and Community Center; and

WHEREAS, the legal agreements authorized by this resolution approval accomplish the City Council's negotiation framework objectives set forth in R-5645; and

WHEREAS, these agreements further require that, when visiting NHL teams scheduled to play the Seattle Kraken need an off-site practice facility, the Iceplex will be prioritized for hosting such practices and that the Kraken will use commercially reasonable efforts to bring such teams to practice in Kirkland, thereby enhancing economic activity and Kirkland's regional profile; and

WHEREAS, the agreements further provide that the Professional Women's Hockey League Seattle franchise (PWHL Seattle) may use the Iceplex as its primary training facility, and, if that occurs, PWHL Seattle branding will be incorporated into the Project, including on the team's dedicated exterior entrance, thereby elevating the visibility of women's professional sports in Kirkland and strengthening the community's connection to high-level athletic programming; and

WHEREAS, the City has maintained the site through a temporary "Park and Play" use and will relocate those existing temporary park amenities when project development proceeds in order to preserve community access to these beloved recreational opportunities; and

WHEREAS, under the terms of the public-private partnership, the City will own all buildings and improvements at the conclusion of the agreement term, ensuring permanent public stewardship of these community assets; and

WHEREAS, the City Council finds and declares it is in the public interest to proceed with a public-private partnership with the Seattle Kraken for development of the Iceplex, Restaurant, and Community Center at the former Houghton Park & Ride site; and

NOW, THEREFORE, be it resolved by the City Council of the City of Kirkland as follows:

Section 1. The City Manager or his designee is hereby authorized and directed to execute on behalf of the City of Kirkland an Agreement to Lease for the Kraken Iceplex, Restaurant, and City Community Center project with the Seattle Hockey Partners, LLC, in substantially similar to that attached to this Resolution as Attachment 1.

Section 2. The City Manager or his designee is hereby authorized and directed to execute on behalf of the City of Kirkland, upon the closing conditions being met, the Ground Lease with the Seattle Hockey Partners, LLC, or another qualified subsidiary of the parent company, Slapshot, Inc., in substantially similar form to that attached to the Agreement to Lease as Exhibit C, and the City Manager is further authorized to, prior to closing, negotiate reasonable provisions in the event the lessee's construction financing lender requires modifications to the mortgage terms.

94 Section 3. The City Council hereby approves of the Development Standards attached
95 as Exhibit L as the applicable development standards under Section 45.40.090 of the Kirkland
96 Zoning Code for the development of the leased premises. The City Manager and the Parks
97 and Community Services Director are hereby authorized to reasonably modify these
98 Development Standards as they deem necessary to facilitate construction of the facility, with
99 the final approved Development Standards to be finalized prior to closing on the Ground Lease.

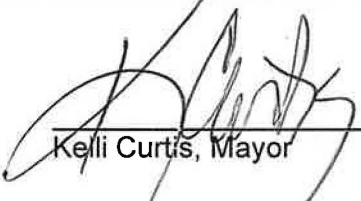
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101 Section 4. The City Manager or his designee is hereby authorized and directed to
102 execute on behalf of the City of Kirkland all additional agreements necessary to complete the
103 transactions authorized by this resolution, including the Community Center Lease, a trademark
104 or licensing agreement, necessary easements or dedications, and other agreements and
105 documents contemplated or required under the terms of the Agreement to Lease or Ground
106 Lease.

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108 Section 5. The City Manager shall provide regular updates on the Kraken Iceplex,
109 Restaurant and Community Center project and related issues to the Council no less than once
110 per month as part of the Council agenda or in the City Manager Report until such time as the
111 City Council makes the decision as to whether to purchase the facility.

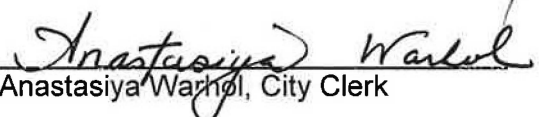
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113 Section 6. The City Manager is directed to return to Council at or prior to substantial
114 completion of the facility for Council to evaluate whether the City of Kirkland will pursue
115 purchase of the facility.

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117
118 Passed by majority vote of the Kirkland City Council in open meeting this 9th day of
119 December, 2025.

120
121 Signed in authentication thereof this 9th day of December, 2025.


Kelli Curtis, Mayor

Attest:


Anastasiya Warhol, City Clerk

AGREEMENT TO LEASE

THIS AGREEMENT TO LEASE (the “**Agreement**”) is made as of _____, 2025 (the “**Effective Date**”) by and between the City of Kirkland, a municipal corporation (the “**City**”) and Seattle Hockey Partners LLC, a Delaware limited liability company (“**Developer**”).

RECITALS:

A. The City owns certain property located at the former Houghton Park and Ride site located at 6920 NE 70th Place, Kirkland, WA 98033, Kirkland, WA 98033 legally described on Exhibit A attached hereto and depicted on Exhibit A-1 attached hereto (the “**Land**”);

B. The buildings, structures, parking areas, landscaping and other improvements currently located on the Land are collectively referred to as the “**Existing Improvements**.” The Land and the Existing Improvements are referred to collectively as the “**Premises**”.

C. In accordance with that certain Request for Qualifications issued by the City entitled “Developer of Ice Skating Facilities, Restaurant and Community Center”, Job #06-25-CMO, issue date February 24, 2025 (“**Project RFQ**”), the City desires to partner with a developer to cause the Land to be developed as a two story Seattle Kraken branded, two (2) ice rink facility with rink seating, restaurant, and a parks and recreation community space (“**Project**”), consisting of gross square footages of approximately (i) 62,500 square feet of ice rinks and seating, (ii) no less than 2,300 square feet of restaurant space, and (iii) approximately 13,500 square feet of public community center space, of which 12,614 is usable square feet.

D. In accordance with the City’s internal processes, the City has reviewed all responding Statements of Qualifications (as defined in the Project RFQ) and based upon Developer’s Statement of Qualification, the City has selected Developer as the successful developer to construct the Project.

E. The City and Developer desire that Developer demolish the Existing Improvements and construct, maintain, and operate the Project in accordance with the terms of this Agreement and all exhibits hereto.

F. The City and Developer have previously entered into that certain Early Access Agreement, dated June 18, 2025 (“**Access Agreement**”). The Access Agreement authorizes Developer to undertake certain due diligence and predevelopment activities, at its discretion and subject at all times to the terms and conditions of the Access Agreement.

G. The City and Developer desire to provide for the development of the Project, the Kraken’s use of the skating facility and restaurant components of the Project, and the City’s use of the community center component of the Project, all as provided herein.

H. In connection with the development of the Project, Developer desires to ensure mutual understanding of the City of Kirkland’s development standards for the Project and the parties intend to agree upon the “**Development Standards**” to establish specific standard applicable to the development of the Project. A copy of the initial draft Development Standards, which will be finalized prior to Closing, is attached as Exhibit L.

I. Developer desires to grant the City an option to purchase the Improvements (as such term is defined in the Ground Lease) (the “**Option to Purchase**”), and, if the City exercises the Option to Purchase, the City will purchase the Improvements with a combination of tax-exempt and taxable bond

financing (the “**Bond Financing**”), and Developer and the City will enter into a Facility Operations and Lease Agreement (defined below) whereby the City leases to Developer or an Affiliate the Skating Facility (defined below) and the Restaurant (defined below) and Developer or an Affiliate make payments to the City for thirty (30) years not to exceed 135% of the City’s annual debt service on the portion of the Bond Financing allocable to the Skating Facility and the Restaurant, plus contributions to a major maintenance fund, and then plus annual payments at the same repayment rate for an additional four (4) years, all as provided in and in accordance with the Facility Operations and Lease Agreement; provided, that the present value of such payments will not exceed the present value of the rights to use the Skating Facility and the Restaurant.

J. In accordance with the Ground Lease, rent under the Ground Lease during the construction period and until the City exercises the option shall be \$1.00 per year. In the event the City does not exercise the Option to Purchase the Improvements, Developer will continue to own the Improvements, and, pursuant to the Community Center Sublease (defined below), the City shall sublease the Community Center from Developer and make monthly payments to Developer equal to the amount that Developer’s debt service payments of the permanent financing exceed the amount of debt service payments that would have been made had the City issued the Bond Financing.

NOW THEREFORE, the parties agree as follows:

1. **Project Overview.** Developer will design and construct the Project to comply with and include the components set forth in this Section 1.

1.1. Design. The City desires the Project to have a distinctive urban design and architecture. It is anticipated that the façade of Project would face 70th Place. A conceptual design prepared by Developer is attached hereto as Exhibit B. As of the Effective Date, the City has approved the referenced conceptual design at an acceptable design standard.

1.2. Seattle Kraken and PWHL Seattle Affiliation. The Project will be identifiable as a “Seattle Kraken” facility with the “Kraken” name or logo featured on building signage and will be utilized by the Seattle Kraken or other NHL franchises as a practice facility during the NHL season. The Professional Women’s Hockey League Seattle (“**PWHL Seattle**”) may also use the facility as its primary training facility. If the PWHL Seattle uses the facility as its primary training facility Developer shall incorporate PWHL Seattle branding into the Project, including on the Skating Facility’s exterior entrance to the PWHL team entry.

1.3. Individual Components. The Project will include three primary components together with a possible fourth component, as follows:

1.3.1. The Project will include two ice skating rinks, associated bleacher seating, and locker room facilities (“**Skating Facility**”) meeting the required standards of the Seattle Kraken and to the extent applicable, the National Hockey Association (“**NHL**”). The Skating Facility will be operated by Developer, an Affiliate, or a third-party operator, which third-party operator will have ten (10) or more years of experience operating first-class, recreational ice sports facilities, including operating the Kraken Community Iceplex at Northgate, Seattle. It is anticipated that the Seattle Kraken will use the Skating Facility for practices of visiting NHL teams together with other Seattle Kraken professional ice hockey purposes. The Skating Facility may also be the primary training space for the Seattle-based PWHL team. The Skating Facility will also be available for public uses, such as skating lessons and junior hockey league play. In addition, the Project will include common areas similar to those at the Kraken Community Iceplex, located in the Northgate neighborhood of Seattle, where members of the public may congregate during facility open hours.

1.3.2. The Project will include a full service restaurant and bar offering beer and wine that will be open to the public during specified operating hours established by Developer and the City (“**Restaurant**”). The Restaurant will be operated by Developer, an Affiliate, or a third-party operator, which third-party operator will have ten (10) or more years of experience operating first-class similar themed restaurants.

1.3.3. The Project will include a second story community center consisting of approximately 13,429 square feet (“**Community Center**”). The Community Center will be leased to, and operated by, the City following completion of construction.

2. **Documentation Overview.** In furtherance of the foregoing, the City and Developer will enter into various agreements, including without limitation, the following documents:

2.1. this Agreement;

2.2. at Closing (as defined below), a ground lease for the Premises in the form attached hereto as Exhibit C (“**Ground Lease**”) which will contain the Option to Purchase (as more fully described in the Ground Lease);

2.3. at Closing, a sublease, with Developer as landlord and the City as tenant, with respect to the Community Center, in the form attached hereto as Exhibit D (“**Community Center Sublease**”), which shall continue until such time as the City exercises the Option to Purchase to the extent exercised;

2.4. upon the City’s exercise of the Option to Purchase, a Facility Operations and Lease Agreement, with the City as landlord, and Developer or an Affiliate as tenant, with respect to the Skating Facility and the Restaurant, in the form attached hereto as Exhibit E (the “**Facility Operations and Lease Agreement**”); and

2.5. at Closing, a naming rights agreement, between Developer, as licensor, and the City, as licensee, granting the non-exclusive rights to use the “Seattle Kraken” name and associated logo in connection with the Skating Facility (the “**License Agreement**”). The term of the License Agreement will run concurrent with the term of the Ground Lease and, if applicable, the Facility Operations and Lease Agreement.

3. **Ground Lease.**

3.1. **Ground Lease.** Subject to the terms and conditions of this Agreement, at the Closing, the City shall ground lease the Premises to Developer and Developer shall ground lease the Premises from the City pursuant to the Ground Lease. The commencement date of the Ground Lease shall be the date of Closing.

3.2. **Other Assets.** Subject to and on the terms and conditions of this Agreement, at the Closing, the City shall convey to Developer and Developer shall acquire from the City all of the City’s right, title and interest in and to all tangible and intangible assets of any nature relating exclusively to the Premises (collectively, the “**Other Assets**”) for a term to run concurrently with the term of the Ground Lease. Developer acknowledges that the Other Assets do not include any trade names, trademarks or other intellectual property belonging to the City. “Other Assets” include, without limitation, (i) all leases, licenses and occupancy agreements covering the Premises and any new leases or licenses that may be entered into subsequent to the Effective Date which have a term that expires on or before the Closing Date (as defined herein).

4. **Due Diligence Period; Pre-Closing Activities; Inspection and Access**

4.1. **Due Diligence Period.** The “**Due Diligence Period**” shall mean the period beginning on the Effective Date and ending at 5:00 p.m. Pacific Time on the date that is ninety (90) days after the Effective Date.

4.2. **Due Diligence Investigation.** Developer, at its sole cost, may conduct its investigation of the Premises during the Due Diligence Period in accordance with the terms of this Agreement and the Access Agreement. This investigation (the “**Due Diligence Investigation**”) may include: review of any available information regarding environmental conditions on or under the Premises; review of any permits; review of engineering data; review of all governmental matters affecting the Premises; review of the condition of title to the Premises; physical inspection of the Existing Improvements; and review of such other matters pertaining to an investment in the Premises as Developer deems advisable. Without limitation, the following is a non-exclusive list of activities that have been or are to be performed by Developer and/or certain third parties engaged by Developer during the Due Diligence Period:

4.2.1. Visits to the Premises and attend meetings with representatives of the City;
and

4.2.2. Conduct a detailed assessment of the Project site and Existing Improvements and buildings, including a feasibility study, market evaluation, title review, boundary/topographical surveys, utility availability analysis, civil engineering analysis and/or environmental site assessment.

4.3. **Boundary Line Adjustment.** The City has adjusted the boundaries of the Land through use of a boundary line adjustment (“**BLA**”), recorded July 30, 2025, under recording number 20250730900001 in the records of King County, Washington.

4.4. **Pre-Closing Activities.** Additionally, Developer shall also, at its sole cost, conduct the following non-exclusive list of activities that have been or are to be performed by Developer and/or certain third parties engaged by Developer for the Project (the “**Pre-Closing Activities**”):

4.4.1. seek and obtain the Financing Commitment as set forth in Section 8.1.7 herein;

4.4.2. prepare all Project Documents (as defined in Section 6.2);

4.4.3. seek approvals from applicable governmental agencies, quasi-governmental agencies and/or utilities (the “**Applicable Governmental Agencies**”) of the plans;

4.4.4. in the event that Developer determines that the costs of the Project will exceed the project budget necessary to obtain Developer’s financing, Developer will work with the architect and general contractor for the Project to undertake Value Engineering to reduce the costs of the Project. “**Value Engineering**” means a systematic method to optimize the Project budget without compromising the function and value of the Project including, without limitation, the analysis of estimates, bids, or proposed costs and the making and adopting of recommendations of ways and means to reduce the costs of construction and other costs of the Project; provided, however, such recommendations shall not include any deletions, modifications or changes which materially modify the scope, or size of the Restaurant and Community Center or its design, quality of materials and finishes, or otherwise change the intended use of the Project unless consented to by the City in writing;

4.4.5. in consultation with the City, obtain the necessary Entitlements (as defined herein) for the development and construction of the Project, to the extent such approvals are attainable at such stage of the Project; and

4.4.6. in consultation with the City, preparation of a detailed Project schedule, provided that this schedule must achieve Project completion by the Completion Date.

Developer will keep the City informed as to progress of all Pre-Closing Activities. Developer and the City agree to reasonably and timely cooperate with one another in good faith in connection with the performance of the Pre-Closing Activities and the granting of any required approvals in connection therewith. The City will participate in design charrettes and other material discussions related to the design and materials of the Project.

Additionally, prior to Closing, the City shall perform certain work on the Premises to prepare the Premises for Developer's construction of the Improvements (the "**City Pre-Closing Work**"). The City and Developer shall jointly determine the scope and nature of the City Pre-Closing Work. The City agrees that its performance of the City Pre-Closing Work will not delay Developer's Development schedule. In no event shall the City Pre-Closing Work exceed \$350,000. The City will keep Developer informed as to progress of the City Pre-Closing Work, including keeping Developer informed of the costs and expenses related thereto.

4.5. **Pre-Closing Expenditures.** The Due Diligence Investigation and Pre-Closing Activities shall be performed directly by Developer or by third parties engaged by Developer. All costs and expenses for third parties engaged by Developer in connection with the Due Diligence Investigation and Pre-Closing Activities shall be paid by Developer. Developer will proceed with the Due Diligence Investigation and Pre-Closing Activities as necessary to facilitate a Closing that will allow for the completion of the Project on or before October 1, 2027, or such later date if the Closing Date is extended as provided in Section 9.1 (as applicable, the "**Completion Date**").

4.6. **Pursuit of Development Approvals**

4.6.1. **Entitlements.** Developer shall apply for, process and obtain, at its sole cost and expense, all entitlements, tax abatements, development rights, permits, licenses, consents, and other approvals required for the development of Project on the Premises, including, without limitation, site plan, design review and building permits (collectively, the "**Entitlements**") with Applicable Governmental Agencies, including the City of Kirkland, and any department, committee or holder of approval rights under recorded covenants affecting the Premises (each an "**Approving Party**" and collectively, the "**Approving Parties**").

4.6.2. **Final Approval.** As used herein, the term "**Final Approval**" means, with respect to the various Entitlements, that the Entitlement has been: (a) formally approved by the Approving Party or Parties and subject to conditions of approval reasonably acceptable to Developer; and (b) any statutorily provided appeal periods to protest the approval of the Entitlement has expired without an appeal being taken, or if any appeal is taken or any challenge to the approval is made, the body ruling on the appeal or challenge shall have made a formal, final finding upholding approval of the Entitlement in a form and content and subject to conditions of approval reasonably acceptable to Developer and all further appeal periods have expired without further appeal being taken.

4.6.3. **City Cooperation.** From and after the Effective Date, the City shall cooperate reasonably and in good faith with Developer with regard to Developer's efforts to process and obtain the Entitlements, and upon request of Developer, promptly executing such applications and other

documents reasonably necessary or appropriate for Developer to apply for, process and obtain the Entitlements, including, but not limited to any tax abatements. The City shall work in good faith to eliminate or reduce as many permitting and development fees as possible, consisting with Applicable Law and the City's auditing principles. The City shall form an interdisciplinary team to work in good faith to expedite review of the Project for its Entitlements process for the Project. If requested by Developer, the City shall promptly execute a letter or letters to the applicable Approving Parties as may be reasonably required and, in such form, as is reasonably approved by the City to evidence Developer's authority to take the actions contemplated herein. In the event this Agreement is terminated for any reason whatsoever, Developer's right to process and obtain the Entitlements shall immediately and automatically terminate concurrently therewith. Notwithstanding anything to the contrary, in no event will the City be required to take any actions or inactions, or support any proposed Entitlements or documents, that in the City's opinion are (i) contrary to the City's Comprehensive Plan, as updated from time to time, or (ii) would change the current zoning of the Premises.

4.6.4. City's Regulatory Discretion. Developer acknowledges that execution of this Agreement by the City does not constitute approval by the City in its regulatory capacity (as distinguished from its proprietary capacity as the owner of the Premises and as a party to this Agreement) of any required or additional approvals and in no way limits the discretion of the City in the regulatory permit approval process and this Agreement does not vest to any land use or development standards. The City, in its proprietary capacity, shall assist Developer throughout any and all approval processes but does not represent or warrant that its assistance will guarantee any regulatory approval. If the City, acting in its regulatory capacity, will not approve any requirements or changes to the 100% Schematic Design Documents or any other drawings reviewed by the City pursuant to this Agreement in its proprietary capacity as a party under this Agreement, then the City's decisions in its regulatory capacity shall govern and control.

4.6.5. Grant of Dedications and Easements. The City, in its capacity as owner of the Land, acknowledges that the Approving Parties may require various dedications, covenants, easements and restrictions and other impositions on the Premises as conditions to Final Approval of the Entitlements. At Closing, the City agrees to reasonably cooperate and join with Developer in granting such interests in the City's fee estate in the Premises required by the Approving Parties and consistent with the use of the Premises for the Project without further consideration payable by Developer to the City for doing so, but (i) subject to the City's reasonable approval as to the form and content of such grant and (ii) subject to the City's reasonable approval of any such dedication, covenant, easement, restriction or imposition which extends beyond the Term (as defined in the Ground Lease) of the Ground Lease.

4.6.6. Access and Conditions. Developer shall comply with the terms of the Access Agreement while accessing the Premises to conduct the Due Diligence Investigation and Pre-Closing Activities.

4.6.6.1. All information supplied by the City to Developer pursuant to this Agreement shall remain the property of the City. In the event Closing does not occur or this Agreement is terminated for any reason, Developer shall promptly return to the City all documents obtained from the City and the City's agents, employees and contractors, and at the City's request, shall deliver copies of all documents prepared by or on behalf of Developer during the Due Diligence Investigation and Pre-Closing Activities.

4.6.6.2. Any investigation involving (i) any soil borings, subsoil, subsurface, soil vapor, ground water, or soil load-bearing tests of any portion of the Premises, (ii) any physical, chemical, air quality, invasive, destructive or other tests of any portion of the Existing Improvements, or (iii) any other tests involving physical invasion of the surface of the Premises or Existing

Improvements or any other physical sampling, are to be made by Developer only after obtaining the express written consent of the City, which may be withheld in the City's sole but reasonable discretion. The City's environmental consultant may attend any test or investigation at the Premises and shall be entitled, without cost to the City, to duplicates of any samples taken by Developer (or, if duplicates are not reasonably attainable, Developer may elect to deliver the actual samples after testing) and to copies of all written reports and data prepared by or on behalf of Developer. Any request for consent must be delivered to the City and its environmental consultant, together with a reasonably detailed investigation plan sufficient for the City to determine the scope and logistics of the proposed investigation, at least three (3) business days before the desired test. Any invasive sampling or testing permitted by the City shall be performed in compliance with all environmental laws and other requirements of Applicable Governmental Agencies. Depending on the nature of the invasive testing or sampling, the City may require an increase in the amount of insurance specified in the Access Agreement. If in the course of its investigation, Developer discovers any environmental condition that Developer or its consultants or contractors believes should be reported to any Applicable Governmental Agencies, Developer shall provide to the City full information regarding the discovery and the City shall determine in its sole discretion whether Developer or the City will report such condition to Applicable Governmental Agencies.

4.6.6.3. Each party (a "**Disclosing Party**") shall maintain the confidentiality of any information delivered by the Disclosing Party to the other party (a "**Receiving Party**") and of any diligence performed by Developer. Developer shall use all such information solely for the purpose of evaluating the Premises. Each Disclosing Party shall have the right to disclose any such information only to the Disclosing Party's employees, consultants, prospective or actual lenders, bond underwriters, potential bond purchasers, attorneys, and accountants, and any other persons or entities having a reasonable need to know such information in connection with the transaction contemplated by this Agreement, provided that (i) Disclosing Party has first obtained a written agreement from the third party to keep the information confidential and (ii) any disclosures to bond investors, including potential bond purchasers, that identifies the City and its financial or operating information is subject to the City's prior review and written approval. If either party is confronted with, or is otherwise subject to, government compulsion, regulatory requirement, or legal action to disclose information received under this Agreement, the Disclosing Party shall promptly notify the Receiving Party, and shall reasonably assist the Receiving Party, at no cost to the Disclosing Party, in obtaining a protective order requiring that any portion of the information required to be disclosed be used only for the purpose for which a court issues an order, or for such other purposes as required by law.

4.6.6.4. Developer shall not permit any mechanics' or other liens to be filed against the Premises as a result of Developer's Due Diligence Investigation and Pre-Closing Activities, and Developer at its sole cost shall cause any liens so filed to be removed within ten (10) business days after filing, by bond or otherwise.

4.6.6.5. Each Receiving Party's obligations under this Section 4.6.6 shall survive the Closing or the termination of this Agreement prior to Closing.

4.6.7. **Indemnity.** Developer's obligations to indemnify are set forth in the Access Agreement.

4.7. **Delivery of Documents.** Prior to the Effective Date, the City has delivered to or made available for review by Developer copies of all material documents in the City's possession relating to the Premises, including (if any) site plans, surveys, title policies, existing entitlements, approvals, traffic studies, engineering reports, tax bills, operating statements, licenses, permits, engineering or architectural renderings, plans and specifications, license agreements, property management contracts, service agreements, commission agreements, and materials relating to legal proceedings, governmental notices,

and other items reasonably relevant to the Due Diligence Investigation (collectively, the “**Due Diligence Documents**”). Developer acknowledges and agrees that Developer is responsible for verifying the accuracy of the Due Diligence Documents.

4.8. **Preliminary Title Report.** The City has provided Developer with a preliminary title report or commitment for title insurance (the “**Preliminary Title Report**”) issued by the Seattle office of Chicago Title Insurance Company (the “**Title Company**”), together with a legible copy of each document, map and survey referred to in the Preliminary Title Report.

4.9. **Survey.** Developer shall obtain an ALTA/ACSM survey of the Land (the “**Survey**”).

4.10. **Approval/Disapproval of Title.** Developer shall have until thirty (30) days after the Effective Date to approve or disapprove the exceptions shown on the Preliminary Title Report or Survey. If Developer disapproves such exceptions, Developer shall either (a) terminate this Agreement by giving the City written notice of termination, or (b) give the City a written notice (the “**Disapproval Notice**”) identifying the disapproved title matters that Developer will require to be removed or cured at or prior to Closing (the “**Disapproved Title Matters**”). Failure by Developer to timely give any notice of approval, disapproval or termination shall be deemed approval. With respect to any Disapproved Title Matters, the City shall notify Developer in writing within twenty (20) days after the City’s receipt of the Disapproval Notice whether the City will cause the Disapproved Title Matters to be removed or cured at or prior to Closing. If the City elects in its sole discretion not to remove or cure all Disapproved Title Matters, Developer may, at its option, by notice to the City given within ten (10) days after receipt of the City’s notice, elect to: (i) close the transaction contemplated by this Agreement and take title subject to all Disapproved Title Matters that the City elects not to remove or cure (subject to satisfaction of the other conditions to Closing), or (ii) terminate this Agreement. Failure of Developer to give such notice within such 10-day period shall be deemed an election to proceed with the transaction contemplated by this Agreement.

4.11. **Approval/Disapproval of Due Diligence Investigation.** Developer shall approve or disapprove the results of its Due Diligence Investigation by written notice delivered to the City no later than the expiration of the Due Diligence Period. Developer’s disapproval of the results of any portion of its Due Diligence Investigation shall be a disapproval of the condition of the Premises. If Developer fails to deliver to the City written notice of its approval of the results of its Due Diligence Investigation by the end of the Due Diligence Period, then Developer shall be deemed to have approved the same and the parties shall proceed to Closing pursuant to the terms of this Agreement. In the event Developer disapproves the results of its Due Diligence Investigation in such notice, this Agreement shall terminate and be null and void and of no further force and effect and the parties shall have no further rights or obligations hereunder (except for any obligations that expressly survive the termination of this Agreement). For the avoidance of doubt, Developer is required to either approve or disapprove the condition of the entire Premises, and may not approve less than the entire Premises. Closing may only occur with respect to the entire Premises and not with respect to any smaller portion or subset thereof.

5. **As-Is; Indemnity; Release.**

5.1. **AS-IS.** Prior to Closing, Developer shall have made a thorough, independent examination of the Premises and all matters relevant to Developer’s decision to enter into the Ground Lease, and Developer will have become thoroughly familiar with all aspects of the Premises and (assuming Developer elects to proceed to the consummation of the transaction contemplated by this Agreement) will have satisfied itself that they are in an acceptable condition and meet Developer’s needs. Developer acknowledges that except as to specific representations and warranties set forth in this Agreement or in the

Ground Lease, Developer is acquiring the leasehold interests represented by the Ground Lease in its “AS-IS” condition and with all faults. Without in any way limiting the generality of the foregoing, Developer’s inspection and review will have included, to the extent that Developer in its sole discretion has deemed necessary or appropriate:

5.1.1. all matters relating to title, and all municipal and other legal requirements such as taxes, assessments, zoning, use permit requirements and building codes;

5.1.2. the physical condition of the Premises and the Existing Improvements, including the soils and groundwater, any other geological conditions, engineering data, the presence or absence of known hazardous substances on, under or in the vicinity of the Premises and the Existing Improvements, and all other aspects of the Premises and the Existing Improvements;

5.1.3. the suitability of the Premises for Developer’s intended use;

5.1.4. the boundaries of the Premises and all access rights to which the Premises is subject;

5.1.5. the development potential of the Premises and/or the zoning, land use, or other legal status of the Premises or compliance with any public or private restrictions on the use of the Premises, as the same are in effect as of the Effective Date, or may be hereafter modified, amended, adopted, published, promulgated or supplemented; or the compliance of the Premises with any each law, zoning restriction, ordinance, rule, regulation or requirement (collectively, “**Applicable Laws**”) of any Applicable Governmental Agencies;

5.1.6. the availability, existence, quality, nature, adequacy and physical condition of utilities servicing the Premises;

5.1.7. Developer’s ability to obtain appropriate licenses and satisfy all licensing requirements under Applicable Laws;

5.1.8. all material information relating to the ownership and operation of the Premises; and

5.1.9. the economics and feasibility of the development of the Premises and the business operations Developer intends to conduct in the Premises, including without limitation, market conditions and financial viability.

5.2. **Release.** The City shall not be liable to Developer for any loss or damage to persons or property, injury to Developer’s business or any loss of income therefrom, arising or resulting from any cause, regardless of whether such damage or injury results from the condition of the Premises, any acts or omissions of the City as owner of the Premises, or any of the matters described in Section 5.1.1 through 5.1.9 above (collectively, the “**Released Matters**”). Developer, for itself and all successors-in-interest to Developer, unconditionally and absolutely hereby waives, releases, acquits, and forever discharges the City and all of its affiliated organizations, and their respective trustees, directors, officers, employees, agents, successors and assigns (collectively, the “**Released Parties**”), of and from any and all claims, liens, demands, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, all costs and expenses incurred in connection therewith (including, without limitation, reasonable attorneys’ fees, reasonable costs of defense, and reasonable costs and expenses of all experts and consultants), or compensation whatsoever, direct or indirect, known or unknown, foreseen or unforeseen, accrued or unaccrued, liquidated or unliquidated, fixed or contingent,

which Developer ever had, now has or may have, or which may arise in the future on account of or in any way growing out of or in connection with the Released Matters. Notwithstanding the foregoing, the waiver and release set forth in this Section 5.2 are not intended and shall not be construed to affect or impair any rights or remedies that Developer may have against the City as a result of the City's gross negligence, willful misconduct, a City Default, any breach of any of the City's obligations made under the agreements entered into by the City, listed in Section 2 and attached as exhibits hereto, or any breach of any of the City's representations or warranties made by the City, or any of the covenants of the City set forth in this Agreement or any exhibit hereto and shall not be deemed Released Matters.

5.3. **Covenant Not to Sue.** Developer, on its own behalf and on behalf of its successors-in-interest, covenants and agrees never to sue or otherwise commence, materially aid (except to the extent required by Applicable Laws), or prosecute any action or other proceeding against any Released Parties, based on the Released Matters. This Agreement may be pleaded by any Released Party as a full and complete defense to any action or proceeding that is a Released Matter and is contrary to this Agreement. This Agreement may be asserted as a basis for injunction against an action or proceeding relating to a Released Matter and as a basis for a cross-complaint for damages.

5.4. **Survival.** Developer's agreements and covenants under this Section 5 shall survive the Closing or termination of this Agreement prior to Closing and shall be binding on Developer's successors and assigns.

6. **Pre-Closing Design Work.**

6.1. Project Components. As material consideration for this Agreement and according to the following terms and conditions, Developer hereby agrees at its sole cost and expense to undertake the preparation of the Project Documents (as defined below) for the Project to be constructed on the Premises (such construction to be performed according to the terms and conditions of this Agreement and the Ground Lease). The purpose of this Section 6.1 is to provide the terms under which Developer will prepare the Project Documents and obtain construction permits, which are to be completed in the timeframes necessary to meet the anticipated Closing Date and Completion Date.

6.2. Approval Process. Pursuant to the terms of this Section 6.2, Developer shall prepare and submit to the City for the City's review and compliance with this Agreement, electronic copies of the Schematic Design Documents and Construction Documents (collectively, the "**Project Documents**"). For purposes of this Agreement, "**Schematic Design Documents**" means all schematic design documents consistent with the Early Design Guidance package and containing all items required for completion of the Design Development Documents. "**Design Development Documents**" means all design development documents that are consistent with the Schematic Design Documents and that contain all items required for the completion of the final Construction Documents. "**Construction Documents**" means all construction plans, drawings, specifications, and related documents, which shall contain all items required for a complete application for and issuance of all required building and construction permits for the Project (and for purposes of clarity, such "permit set" Construction Documents are expected to be approximately a 65% set of full construction documents). Developer agrees to provide the City with copies of all updated Project Documents at standard design milestones, including 30-60-90 percent completion Project Documents. All Project Documents must be fully complete as of the Closing Date.

6.2.1. The schedule of the anticipated delivery dates of the Project Documents and the projected submittal dates of any Project Documents or other permits or applications to the Applicable Governmental Agencies is attached hereto as Exhibit F (the "**Delivery Schedule**"). Developer shall regularly update the City of any proposed modifications to the Delivery Schedule, provided that any such modifications are subject to the City's prior written approval. Notwithstanding the foregoing, the City

shall not unreasonably withhold, condition, or delay its approval so long as the proposed adjustment to the Delivery Schedule will still allow for the completion of the Project Documents on a date prior to the Closing Date.

6.2.2. *Skating Facility and Restaurant Project Documents.* The City recognizes that Developer is proficient at constructing skating facilities with associated restaurants. The City shall have the right to review the Project Documents for the Skating Facility and Restaurant (including the lobby, restaurant, and all common areas of the first floor of the building) and submit concerns and suggestions. Within ten (10) business days after receiving Developer's written submission (along with one (1) electronic copy of the submission), the City (acting as party to this Agreement and not as City of Kirkland Planning and Building Department) shall notify Developer in writing of its concerns or suggestions for the Project Documents for the Skating Facility and Restaurant. Developer will consider, in good faith, revisions to the Project Documents to reflect the City's requested changes. Developer shall then resubmit the Project Documents to the City noting any revisions made from the prior version. In the event the City has not given any written response to those Project Documents within ten (10) business days of submission, such Project Documents for the Skating Facility and Restaurant shall be deemed to have been acknowledged by the City.

6.2.3. *Community Center Project Documents.* The City, acting reasonably, shall have the sole and absolute right to approve only the Project Documents for the Community Center, which approval must be done in writing. With respect to the Project Documents for the Community Center, the City shall notify Developer of its rejection of any Project Documents within ten (10) business days after receiving Developer's written submission (along with one (1) electronic copy of the submission). In the event the City has not given written notice rejecting such Project Documents within ten (10) business days of submission, (including the reasoning for such rejection) such Project Documents shall be deemed to have been approved by the City. In the event the City rejects any submitted Project Documents for the Community Center, the City shall provide reasonable written detail to Developer regarding the reasons for such rejection, and Developer shall have an additional ten (10) business days to revise the Project Documents to reflect the City's required changes (or such additional time as is reasonably necessary while exercising diligent efforts, depending on the nature of the City's comments). Developer shall then resubmit the Project Documents to the City, and the City shall advise Developer within ten (10) business days whether the rejection of the Project Documents has been withdrawn.

6.2.3.1. In the event Developer desires to make any material changes to the Schematic Design Documents for the Community Center after being previously submitted to and reviewed by the City, Developer shall submit such revised Schematic Design Documents for the Community Center to the City, upon which any changes shall be indicated, for the City's review and approval, which approval may be granted or withheld in the City's sole discretion. In the event Developer desires to make any material changes to the Design Development Documents for the Community Center or Construction Documents for the Community Center after being previously submitted to and reviewed by the City, Developer shall submit such revised documents to the City, upon which any changes shall be indicated, for the City's review and approval, which approval shall not be unreasonably withheld, conditioned or delayed. If the City rejects any aspect of Developer's proposed Project Documents in accordance with this Agreement, Developer shall make whatever changes are reasonably necessary to address the rejected item and shall resubmit it for the City's review. Developer shall not proceed with the rejected item, or any item affected by the rejected item, until the City has reviewed and approved Developer's changes. The time periods set forth in Section 6.2.3 above shall also apply to the City's review and approval or rejection of Developer requests pursuant to this paragraph.

6.2.3.2. The City shall designate the persons and/or staff positions of the City who are authorized under this Agreement on behalf of the City and to whom Project Documents are to be submitted by Developer for the City's approval or rejection ("**City's Authorized Representative**").

As of the Effective Date, the City hereby designates the following individual as the City's Authorized Representative: Jen Davis-Hayes. The City shall designate the person who will represent the City in day-to-day communication with Developer, and who will coordinate activities for the City ("**City's Project Manager**"). The City may, from time to time, change the City's Authorized Representative and/or the City's Project Manager by providing notice to Developer. As of the Effective Date, the City hereby designates Anneke Davis as the City's Project Manager. During the design and development of the Project, the City's Authorized Representative and the City's Project Manager shall be invited to participate in monthly progress meetings with Developer's Project Team. The City's Authorized Representative and the City's Project Manager shall cooperate with each other and the Project Team (as below defined) on all Project Documents, including material changes thereto.

6.2.3.3. Project Team. Developer shall contract with architects, engineers, general contractors, subcontractors, landscape architects and related consultants (the "**Project Team**") who are bonded, insured, and licensed in the State of Washington, and who shall have relevant experience with the design and development of similar projects as the Project, and experience in completing construction comparable to the Project in accordance with the Construction Documents. Developer will notify the City in writing of its election of the Project Team and any material changes thereto.

6.2.4. Development Design Schedule.

6.2.4.1. In accordance with the Delivery Schedule, Developer shall comply with all requirements of the relevant Approving Parties to apply for a development permit, including a pre-submittal application and pre-submittal conference with the City of Kirkland Planning and Building Department. Developer shall comply with the timelines required by the City of Planning and Building Department. Developer shall coordinate with the City's Authorized Representative and/or the City's Project Manager during the permitting process. As part of the permitting process, Developer shall share with the City "**Early Design Guidance**" package prior to Developer's submission of said package to the City of Kirkland Planning and Building Department. The City may review the Early Design Guidance package and make recommendations to modify the Community Center, which Developer shall in good faith take into consideration. If the City disapproves of Developer's Early Design Guidance package, the City and Developer shall meet and confer regarding the basis for the City's disapproval and shall attempt in good faith to reach agreement as to necessary revisions to the Early Design Guidance Package. Additionally, Developer shall comply with all schematic design guidelines imposed by the City of Kirkland Planning and Building Department. The City may review Developer's Schematic Design Documents prior to Developer's submission to the City of Kirkland Planning and Building Department. Developer agrees that the design documents for the Community Center shall include the specific items referenced in Exhibit H.

6.2.4.2. On or about the submittal date to the City, Developer and one or more members of the Project Team shall make a presentation to the City describing in detail the submittal and shall deliver to the City one (1) electronic copy of all above-referenced documents. The City shall have the right to approve all material aspects of the Community Center, which approval shall not be unreasonably withheld, conditioned or delayed. Developer and the City agree to work with each other and each party's representatives in good faith to meet the deadlines in the Delivery Schedule. The City shall inform Developer of any design, fixture, and construction requirements for the Community Center that are city-wide requirements of the City of Kirkland. Developer will promptly communicate with the City regarding any material changes to the Project Documents.

6.2.4.3. Following Closing, Developer will be responsible for performing the improvement work to the Community Center ("**Community Center Plans and Specs**") as set forth in Exhibit H and pursuant to the terms for the Community Center Sublease attached to this Agreement as

Exhibit D. Commencing with the mutual execution and delivery of this Agreement, Developer will cause the Design Team to work with the City to prepare plans, specifications and a budget for the Community Center Improvements, which plans and specifications must be approved of in writing by the City, in the City's sole discretion and will, at a minimum, include the specific items referenced in Exhibit H. The City and Developer will work together with reasonable promptness to finalize the Community Center Plans and Specs prior to Closing and the Community Center Plans and Specs will be attached as an exhibit to the Community Center Sublease.

6.2.4.4. Prior to the Closing Date, Developer shall have obtained all permits necessary to commence construction of the Project and closing on its financing for the Project. Developer shall provide copies of such permits to the City prior to the Closing Date.

6.2.5. Governmental Requirements.

6.2.5.1. During the preparation of all Project Documents and the processing of all permits and other entitlements, Developer shall hold meetings with all Applicable Governmental Agencies with jurisdiction over the Premises as necessary to submit the permit applications and obtain the permits for the Project. Developer shall use the permit expeditor identified in the Project Documents. Permit submissions for the Community Center as described in the approval process require approval by the City, which will not be provided if the content of the permit submissions are materially inconsistent with Exhibit H and/or the City-approved Schematic Design Documents for the Community Center. Developer shall provide the City with reasonable advance notice of all intake meetings, pre-application meetings, pre-construction meetings and other meetings of a material nature, so that the City may elect to attend. Developer, at the City's written request, shall deliver to the City reasonably detailed minutes of all such meetings, whether or not the City elects to attend. At the City's option, the City and Developer shall communicate and consult informally as reasonably necessary to ensure that the formal submittal of any Project Documents for approval by the Applicable Governmental Agencies can receive prompt and speedy consideration. The City shall reasonably cooperate with Developer's efforts to obtain approvals from the Applicable Governmental Authorities and shall reasonably cooperate with Developer in the application process.

6.2.5.2. Developer shall promptly notify the City of any corrections, disapprovals or proposed adverse conditions by any Applicable Governmental Agencies and shall keep the City reasonably informed with respect to Developer's acquisition of entitlements and permits.

6.3. Ownership of Developer Materials. If this Agreement terminates for any reason other than a City Default (as defined in Section 10.1), Developer shall deliver to the City all studies, site plans, reports, surveys, permits, Design Development Documents, Construction Documents, permits, entitlements, and other documents relating to the Premises and the Project that were prepared by or on behalf of Developer in connection with Developer's Due Diligence Investigation, as well as all Project Documents prepared in connection with the Project (collectively, "**Developer Materials**"), together with a bill of sale for Developer's interest in such Developer Materials, but with neither warranty nor recourse to Developer for losses and liabilities resulting from defective Developer Materials, which Developer Materials shall thereupon be the sole property of the City free from all claims or interests of Developer or any other person, and which the City may use, grant, license or otherwise dispose of to any person for development of the Premises or the Project or any other purpose in the City's sole discretion. Without limiting the foregoing, Developer further agrees that, in the event this Agreement terminates for any reason other than a City Default, the City may thereafter proceed with development of the Project in a manner and with a site plan which is the same or substantially similar to that contemplated by Developer; provided that the City or any other third party shall not have any rights to use the Kraken brand, or NHL or PWHL Seattle

branding. Developer agrees at all times to keep Developer Materials free of all liens, charges, attachments or judgments.

7. Development Standards.

7.1. **General.** The City and Developer shall work together in good faith, but subject to the City's internal processes concerning applicable development standards, to negotiate the terms of the Development Standards generally in accordance with the provisions below.

7.2. **Variation from Code Requirements.** The City and Developer agree that the Project shall be developed with the following deviations from code requirements:

7.2.1. Zero lot lines: The building will have zero lot lines to the boundary of the Premises. In order to facilitate the zero lot line development, the City will provide Developer with an easement for emergency egress into the right-of-way in a form and content reasonably satisfactory to the City Attorney, at no additional cost to Developer.

7.2.2. Parking: No specific number of parking spaces will be required for development of the Community Center, Skating Facility, and Restaurant, except to the extent required by state law to meet ADA parking requirements. The City will construct parking for the Project on the northern adjacent City-operated parking area outside of the Premises, including required striping and signage for ADA parking spaces, and Developer will construct the pathway/sidewalk from the parking area, including any ADA improvements to the sidewalk, to the Facility. The City will maximize the number of parking spaces on the northern lot.

7.2.3. Signage: The exterior signage of the Skating Facility may be lighted and display digital and/or motion effects, and Developer shall be permitted to display any content advertising the Skating Facility and its activities and sponsors, consistent with the Development Standards agreeable to the City and Developer.

7.3. **Public Benefits.** As part of the Project, Developer agrees to provide the following "public benefits":

7.3.1. In addition to the obvious public benefit of new state-of-the-art ice rinks in the City of Kirkland, Developer shall also provide the Restaurant that, subject to closure for special events, will be open to the general public during lunch and dinner hours for dining unrelated to the rink operations.

7.3.2. Developer shall offer public benefits, including but not limited to, the following: public skate sessions; two (2) hours of free open skate ice rink access per month to any Kirkland resident showing proof of residency, subject to rink capacity; hockey lessons and clinics (for adults and children); adult hockey division; youth hockey development programs; youth summer camps; youth learn to play programs; hockey coaching lessons; figure skating lessons and clinics (for adults and children); figure skating club use; figure skating coaching; figure skating summer camps; girls and women hockey programs; field trips; birthday parties; and ice rentals.

7.3.3. Developer, either through its One Roof Foundation or other means, intends to provide low-income grants for youth access or other low-income users of the skating rinks, including equipment and uniforms.

7.3.4. Developer, either directly or in partnership with the One Roof Foundation or an equivalent organization, will provide, in a manner and extent reasonably consistent with Developer's practice through the One Roof Foundation but designed to meet identified needs in the Kirkland community, community promotion and charitable services based on the One Roof Foundation's three pillars: youth homelessness, environmental justice, and access to play for disadvantaged communities.

7.3.5. Developer's design and construction of the Facility's Community Center, including all common areas (lobby and restrooms) for use by the City and the residents of the City of Kirkland.

7.3.6. With respect to visiting NHL teams scheduled to play the Seattle Kraken at the Climate Pledge Arena that require a practice site outside of the Climate Pledge Arena, Developer shall prioritize use of the Skating Facility for practice purposes over other facilities, including, without limitation, the Kraken Community Iceplex. In furtherance of the foregoing, Developer agrees to use commercially reasonable efforts to cause such visiting NHL teams to practice at the Project from time to time each year.

7.3.7. The Skating Facility may be used as the practice facility for the WPHL team.

7.4. **Reservation of Rights.** Notwithstanding any other provision in this Agreement, pursuant to RCW 36.70B.170(4), the City reserves the authority to impose new or different regulations to the extent required by a serious threat to public health or safety, as determined by the City after written notice to and an opportunity to be heard by Developer.

7.5. **All Other Provisions.** Except as specifically set forth in this Agreement or the Development Standards, the Project shall comply with all generally applicable requirements of the City of Kirkland Municipal Code and Zoning Code, and all other Applicable Laws.

7.6. **Parking Agreement.** The City reserves the right to charge for parking in the adjacent City-operated parking area outside of the Premises. The City will not implement paid parking before the end of hockey season in the spring of 2029. The City will not charge a higher "per hour" rate for parking at the Community Center than the highest amount Kirkland charges for parking at any of Kirkland's waterfront parks (which currently, in 2025, is \$1/hour). The City may charge a special event parking fee for any event where the entire facility is being used by the City for City purposes. The City and Developer may charge a special event parking fee by mutual written agreement, with the City providing Developer with fifty percent of the revenue from such special event parking fees, unless a different apportionment is otherwise agreed by the parties. The City will be responsible for operating, maintaining, and repairing the parking area outside the Premises. In the parking area, the City will provide a minimum of twenty-five (25) spaces primarily dedicated to staff parking for staff of the Community Center, Skating Facility, and Restaurant. Developer and City will work in good faith to coordinate available parking and mitigate traffic impacts when either party is hosting a special event with an expected attendance of 200 individuals or more. If the City anticipates hosting an event at the Community Center with an expected attendance of 100 individuals or more, the City will provide Developer with thirty (30) days' notice to coordinate available parking and mitigate traffic impacts; provided that in the event the City is unable to provide such thirty (30) day notice due to a City-sponsored event occurring in less than thirty (30) days from scheduling of the event, the City will provide Developer with such advance notice as is reasonably possible under the circumstances.

8. **Conditions Precedent**

8.1. **Developer's Conditions Precedent.** Developer's obligations under this Agreement are expressly subject to the timely fulfillment of the conditions set forth in this Section 8 on or before the Closing Date ("**Developer's Conditions Precedent**"). Each condition is solely for the benefit of Developer and may be waived in whole or in part by Developer by written notice to the City in Developer's sole and absolute discretion. If Developer's Conditions Precedent are not timely satisfied, Developer shall have the right, in its sole election, either to waive any of them in writing and proceed with the purchase or to terminate this Agreement. If Developer elects to terminate this Agreement, all documents will be returned to the party who deposited them into escrow, and neither party will have any further rights or obligations under this Agreement, except as otherwise provided in this Agreement.

8.1.1. **Due Diligence.** Developer shall have approved the results of its Due Diligence Investigation pursuant to Section 4.2.

8.1.2. **Entitlements.** Developer shall have received Final Approval with respect to the various Entitlements required for the Project.

8.1.3. **Title Approval.** Developer shall have approved the condition of title to the Premises pursuant to Section 4.10.

8.1.4. **Title Policy.** The Title Company shall deliver to Developer at Closing an ALTA Leasehold Policy, issued by the Title Company as of the date and time of the recording of the Memorandum of Lease (as defined herein), insuring Developer's leasehold interest in the Premises, and subject only to the Permitted Exceptions (the "**Title Policy**"). "**Permitted Exceptions**" means exceptions approved or deemed approved or accepted by Developer pursuant to Section 4.10, real estate taxes not yet due and payable, and the standard printed exceptions set forth in the Title Policy. Developer shall have the option to obtain extended title coverage and customary endorsements for a commercial ground lease transaction, but Developer's ability to do so shall not be a condition to Closing.

8.1.5. **Representations and Warranties.** The City's representations and warranties contained in this Agreement shall be true and correct in all material respects as of the Closing Date.

8.1.6. **The City's Performance.** The City shall have performed all of its obligations under this Agreement.

8.1.7. **Developer Financing Contingency.** Developer shall have received a binding commitment on the part of a lender(s) or investor(s) to close on a financing for the entire cost of the Project ("**Financing Commitment**"), such financing to be terms and conditions reasonably acceptable to Developer.

8.1.8. **No Litigation.** There shall exist no pending or threatened actions, suits, arbitrations, claims, attachments, proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings by or against the City or the Premises that would materially and adversely affect the City's ability to perform its obligations under this Agreement.

8.2. **The City's Conditions Precedent.** The City's obligations under this Agreement are expressly subject to the timely fulfillment of the conditions set forth in this Section 8.2 on or before the Closing Date, or such earlier date as is set forth below. Each condition is solely for the benefit of the City and may be waived in whole or in part by the City by written notice to Developer in the City's sole and absolute discretion.

8.2.1. **Representations and Warranties.** Developer's representations and warranties contained herein shall be true and correct in all material respects as of the Closing Date.

8.2.2. **Developer's Performance.** Developer shall have performed all of its obligations under this Agreement.

8.2.3. **No Litigation.** There shall exist no pending or threatened actions, suits, arbitrations, claims, attachments, proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings by or against Developer that would materially and adversely affect Developer's ability to perform its obligations under this Agreement.

8.2.4. **Financing Contingency.** Developer has obtained the Financing Commitment.

8.2.5. **Deliverables.** Developer shall have completed all tasks, permits, drawings, specifications, and other documents and deliverables (including, without limitation, all Project Documents) set forth in Section 6.2 ("Deliverables").

8.2.6. **Final Approval.** Developer shall have received Final Approval with respect to the various Entitlements required for the Project.

8.2.7. **Construction Contract.** Developer shall have provided the City with an executed construction contract for the construction of the Project.

8.3. **Failure of Conditions.** So long as a party is not in default hereunder, or has not caused the failure of any condition precedent for its benefit, if any condition to such party's obligation to proceed with the Closing hereunder has not been satisfied as of the Closing Date or any other applicable date specified in this Agreement, such party may, in its sole discretion, either (a) terminate this Agreement with written notice to the other party, (b) extend the time available for the satisfaction of such condition by up to a total of ten (10) business days, or (c) elect to close, notwithstanding the non-satisfaction of such condition, in which event such party shall be deemed to have waived any such condition. If such party elects to proceed pursuant to clause (b) above, and such condition remains unsatisfied after the end of such extension period, then, at such time, such party may elect to proceed pursuant to either clause (a) or (c) above.

9. **Closing.**

9.1. **Time.** Provided that all conditions set forth in Section 8 have been either satisfied or waived by the party to which the condition benefits, the parties shall close the transaction contemplated by this Agreement (the "**Closing**"), on a date mutually approved by the City and Developer (the "**Closing Date**"), but in no event later than June 1, 2026; with thirty (30) days written notice from Developer or other time agreed by the parties, Developer may further extend the Closing to a date no later than August 31, 2026 if necessary for Developer to obtain the obtain Final Approval of the permits and Entitlements.

9.2. **Escrow.** Closing shall occur through an escrow with the Title Company. The terms of this Agreement, together with such additional instructions as the Title Company shall reasonably request and the parties shall agree to, shall constitute the escrow instructions to the Title Company. If there is any inconsistency between this Agreement and any additional escrow instructions given to the Title Company, this Agreement shall control unless the intent to amend this Agreement is clearly and expressly stated in said additional escrow instructions. Developer and the City shall cause the Title Company to execute and deliver a counterpart of this Agreement to each of them.

9.3. **The City's Deposit of Documents into Escrow.** The City shall deposit into escrow as of or prior to the Closing the following documents and funds:

9.3.1. Two (2) duly executed counterpart of the Ground Lease;

9.3.2. A duly executed and acknowledged counterpart of the Memorandum of Lease in the form of Exhibit I, which Memorandum shall include the Option to Purchase ("**Memorandum of Ground Lease**");

9.3.3. Two (2) duly executed assignments in the form of Exhibit J, assigning to Developer all of the City's interest in the Other Assets (the "**General Assignment**");

9.3.4. Two (2) duly executed counterparts of the sublease agreement between the City and Developer with respect to the Community Center Sublease;

9.3.5. Two (2) duly executed counterparts of the License Agreement;

9.3.6. A copy of the finalized Development Standards;

9.3.7. Proof of the City's authority and authorization to enter into this Agreement and the transaction contemplated hereby and agreements described in this Section 9.3, and such proof of the power and authority of the individual(s) executing and/or delivering any instruments, documents or certificates on behalf of Developer to act for and bind Developer, as may be reasonably required by Title Company to issue Developer the ALTA Leasehold Policy; and

9.3.8. Such additional documents, including written escrow instructions consistent with this Agreement, as may be reasonably necessary to consummate the ground leasing of the Premises and financing of the Project in accordance with the terms of this Agreement.

9.4. **Developer's Deposit of Documents.** Developer shall deposit or caused to be deposited, into escrow as of or prior to the Closing:

9.4.1. Two (2) duly executed counterparts of the Ground Lease;

9.4.2. A duly executed and acknowledged counterpart of the Memorandum of Ground Lease;

9.4.3. Two (2) duly executed counterparts of the General Assignment;

9.4.4. Two (2) duly executed counterparts of the Community Center Sublease;

9.4.5. Such proof of Developer's authority and authorization to enter into this Agreement and the transaction contemplated hereby, and such proof of the power and authority of the individual(s) executing and/or delivering any instruments, documents or certificates on behalf of Developer to act for and bind Developer, as may be reasonably required by Title Company;

9.4.6. A duly executed guaranty of Developer's performance under the Ground Lease in the form of Exhibit K ("**Guaranty**");

9.4.7. Two (2) duly executed counterparts of the License Agreement.

9.4.8. Such additional documents, including written escrow instructions consistent with this Agreement, as may be reasonably necessary to consummate the ground leasing of the Premises and financing of the Project in accordance with this Agreement.

9.5. **Closing.** When the Title Company has received all documents identified in Sections 9.3 and 9.4, has received written notification from Developer and the City that all conditions to Closing have been satisfied or waived, and is irrevocably committed to issue the Title Policy, then, and only then, the Title Company shall:

9.5.1. Record the Memorandum of Lease;

9.5.2. Issue the Leasehold Title Policy to Developer;

9.5.3. Deliver to Developer: (i) a conformed copy (showing all recording information thereon) of the Memorandum of Lease; (ii) a fully executed original of the Ground Lease; (iii) a fully executed original of the General Assignment; and (iv) a fully executed original of the Community Center Sublease; and

9.5.4. Deliver to the City: (i) a conformed copy (showing all recording information thereon) of the Memorandum of Lease; (ii) a fully executed original of the Ground Lease; (iii) a fully executed original of the General Assignment; and (iv) a fully executed original of the Community Center Sublease

The Title Company shall prepare and the parties shall sign closing statements showing all receipts and disbursements and deliver copies to Developer and the City and, if applicable, shall file with the Internal Revenue Service (with copies to Developer and the City) the reporting statement required under Section 6045(e) of the Internal Revenue Code.

9.6. **Closing Costs.** Developer shall pay the cost of the Title Policy, escrow and recording fees, and all other closing costs, and escrow and recording fees. Each party shall pay its own legal and consulting fees.

9.7. **Survival.** The obligations of this Section 9 shall survive the Closing.

9.8. **Possession.** Possession of the Premises pursuant to this Agreement and the terms of the Ground Lease shall transfer to Developer at the Closing.

10. **Default; Remedies.**

10.1. **City Default.** The term “**City Default**” shall mean the failure of the City (i) to perform in any material respect, any material act to be performed by the City pursuant to this Agreement or (ii) to refrain from performing in any material respect, any material act prohibited hereby, if such failure has not been remedied by the City within twenty (20) business days following receipt of written notice from Developer identifying such failure, but if the default cannot be cured within the 20-business day cure period, the City will not be in default of this Agreement if the City commences to cure the default within the 20-business day cure period and diligently and in good faith prosecutes the cure to completion within sixty (60) days following receipt of written notice from Developer.

10.2. **Developer Default.** The term “**Developer Default**” shall mean the failure of Developer (i) to perform in any material respect, any material act to be performed by Developer pursuant to this Agreement or (ii) to refrain from performing in any material respect, any material act prohibited

hereby, if such failure has not been remedied by Developer within twenty (20) business days following receipt of written notice from the City identifying such failure, but if the default cannot be cured within the 20-business day cure period, Developer will not be in default of this Agreement if Developer commences to cure the default within the 20-business day cure period and diligently and in good faith prosecutes the cure to completion within sixty (60) days following receipt of written notice from the City.

10.3. **Developer's Termination.** Provided no Developer Default exists after the expiration of any notice and cure period, Developer shall have the option to terminate this Agreement (a) as of the end of the Due Diligence Period if Developer disapproves the results of its Due Diligence Investigation or title review or (b) after the end of the Due Diligence Period only in the event any Developer's Conditions Precedent (as defined in Section 8.1) has not been satisfied or waived by Developer in writing by the Closing Date. If a City Default exists after the expiration of any notice and cure period, then Developer shall have the right, as its exclusive remedy, either (i) to pursue an action for specific performance of this Agreement or (ii) to terminate this Agreement.

10.4. **City's Termination.** Provided no City Default exists after the expiration of any notice and cure period, the City shall have the option to terminate this Agreement if any conditions to Closing contained in Section 8.2 have not been satisfied or waived by the City in writing by the Closing Date, or if a Developer Default exists after the expiration of any notice and cure period.

10.5. **Mutual Termination.** If the City and Developer mutually agree in writing prior to the Closing Date that the Project no longer makes economic sense for both parties due to economic circumstances that have significantly changed, then this Agreement may be terminated pursuant to a mutually executed termination agreement, and neither party will have any further rights or obligations under this Agreement, except as otherwise provided in this Agreement.

10.6. **Release from Escrow.** Upon termination of this Agreement pursuant to this Section, the Title Company shall promptly return to Developer and the City, respectively, all documents deposited by them into escrow. The defaulting party shall pay any cancellation fee charged by the Title Company.

11. **Representations and Warranties.**

11.1. **City's Representations and Warranties.** As a material inducement to Developer to execute this Agreement and consummate this transaction, the City represents and warrants to Developer that as of the Effective Date and the Closing Date:

11.1.1. **Authority.** The City has the full right and authority and has obtained any and all consents required to enter into this Agreement and to consummate or cause to be consummated the transaction contemplated hereby. This Agreement has been, and all of the instruments to be delivered by the City at the Closing will be, authorized and properly executed and constitute, or will constitute, as appropriate, the valid and binding obligations of the City, enforceable in accordance with their terms.

11.1.2. **No Conflict.** There is no agreement to which the City is a party or, to the City's actual knowledge, binding on the City which is in conflict with this Agreement, or which prevents the City from executing or performing its obligations under this Agreement.

11.1.3. **Litigation and Condemnation.** To the City's actual knowledge there is not now pending or threatened any action, suit or proceeding before any court or governmental agency or body that would prevent the City from performing its obligations hereunder or against or with respect to the Premises or that would materially affect the current use or operation of the Premises. To the City's

actual knowledge, no condemnation, eminent domain or similar proceedings are pending or threatened with regard to the Premises. Except as otherwise disclosed in the Due Diligence Documents, the City has not received any notice and has no knowledge of any pending or threatened liens, special assessments, impositions or increases in assessed valuations to be made against the Premises.

11.1.4. **Legal Compliance.** Except as otherwise disclosed in the Due Diligence Documents, the City has not received any notices of violations or alleged violations of any Applicable Laws with respect to the Premises that have not been corrected to the satisfaction of the issuer of the notice.

11.1.5. **Title.** The City has good and marketable title in fee simple to the Land. The Premises has not been assigned or conveyed to any other party. The City has a right to lease the Premises to Developer pursuant to the terms of this Agreement and all exhibits hereto.

11.1.6. **No Hazardous Materials.** To the City's knowledge, there are no Hazardous Materials on the Premises, including, without limitation, asbestos or mold. The City has received no notice of any failure of the City to comply with any applicable governmental requirements in respect of the use, occupation and construction of the Premises, including environmental, fire, health, safety, zoning, subdivision and other land use requirements that has not been corrected to the satisfaction of the appropriate governmental authority, and the City has received no notice of, and has no knowledge of, any violations or investigation relating to any governmental requirement. For purposes of this Agreement, "**Hazardous Materials**" are substances defined as: "toxic substances", "toxic materials", "hazardous waste", "hazardous substances", "pollutants", or "contaminants" as those terms are defined in the Resource, Conservation and Recovery Act of 1976, as amended (42 U.S.C. § 6901, *et seq.*), the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended (42 U.S.C. § 9601, *et seq.*), the Hazardous Materials Transportation Act, as amended (49 U.S.C. § 1801, *et seq.*), the Toxic Substances Control Act of 1976, as amended (15 U.S.C. § 2601, *et seq.*), the Clean Air Act, as amended (42 U.S.C. § 1251, *et seq.*) and any other Applicable Law relating to health, safety or the environment; asbestos or asbestos-containing materials; lead or lead-containing materials; oils; petroleum-derived compounds; pesticides; or polychlorinated biphenyls.

11.2. **Developer's Representations and Warranties.** As a material inducement to the City to execute this Agreement and consummate this transaction, Developer represents and warrants to the City that:

11.2.1. **Authority.** Developer has been duly organized and is validly existing as a limited liability company, in good standing in the State of Delaware, and is or will be qualified to do business in the State of Washington by the Closing Date. Developer has the full right and authority and has obtained any and all consents required to enter into this Agreement and to consummate or cause to be consummated the transaction contemplated hereby. This Agreement has been, and all of the documents to be delivered by Developer at the Closing will be, authorized and properly executed and constitutes, or will constitute, as appropriate, the valid and binding obligation of Developer, enforceable in accordance with their terms.

11.2.2. **No Conflict.** There is no agreement to which Developer is a party or to Developer's knowledge binding on Developer which is in conflict with this Agreement. There is no action or proceeding pending or, to Developer's knowledge, threatened against Developer which challenges or impairs Developer's ability to execute or perform its obligations under this Agreement.

11.2.3. **No Litigation.** There is not now pending or, to Developer's actual knowledge, threatened, any action, suit or proceeding before any court or governmental agency or body against Developer that would prevent Developer from performing its obligations hereunder.

11.3. **Covenants.** Each party agrees and covenants with the other that from the Effective Date until the earlier of the Closing or termination of this Agreement:

11.3.1. **Operation of Premises.** The City shall continue to operate the Premises in the manner consistent with the City's past practices and continue to be entitled to all rents and other revenues derived from the Premises.

11.3.2. **No Transfers; Preservation of Title.** The City shall not take any action (or fail to take any actions) that would result in a material change to the condition of title to the Premises existing upon the Effective Date (other than the imposition of new encumbrances for then current, non-delinquent taxes and assessments), nor shall the City lien, encumber or otherwise transfer all or any portion of or interest in the Premises except as expressly consented to by Developer.

11.3.3. **Monetary Liens.** Except for any monetary liens which can be removed by the payment of money, other than nondelinquent real property taxes and assessments ("**Monetary Liens**") disclosed on the Title Commitment, the City shall not grant, convey or execute any Monetary Liens.

11.3.4. **No Adverse Actions.** From and after the Effective Date, the City shall not take any action or knowingly consent to any action by a third party (not related to or affiliated with Developer) that would change the zoning designation of the Premises, or legally change the permitted uses of the Premises (in each case, or any portion thereof) without the prior written consent of Developer in each instance, which may be given or withheld in Developer's sole and absolute discretion.

11.4. **Survival of Representations and Warranties; Covenants.** The representations and warranties and covenants set forth in this Section 11 are made as of the Effective Date and are remade as of the Closing Date and shall not be deemed to be merged into or waived by the instruments of Closing, but shall survive the Closing for a period of one (1) year. The City and Developer shall have the right to bring an action thereon only if the City or Developer, as the case may be, has given the other party written notice of the circumstances giving rise to the alleged breach within such one (1) year period.

11.5. **Notice of Changed Circumstances.** If either party becomes aware of any fact or circumstance that would render false or misleading a representation or warranty made by such party, then it shall immediately give written notice of such fact or circumstance to the other party, but such notice shall not relieve any party of any liabilities or obligations with respect to any representation or warranty.

12. **General.**

12.1. **Notices.** All notices, demands, approvals, and other communications provided for in this Agreement shall be in writing and shall be effective (a) upon receipt when personally delivered to the recipient at the recipient's address set forth below; (b) when received by United States mail, postage prepaid, by registered or certified mail, return receipt requested, addressed to the recipient as set forth below, or when such receipt is rejected; (c) one (1) business day after deposit with a recognized overnight courier or delivery service; or (d) when received by electronic mail; provided that the party delivering notice electronically concurrently delivers the same notice by one of the methods set forth in clauses (a), (b) or (c) above confirmed by receipt of a successful transmission report generated by the sender's facsimile machine addressed to the recipient as set forth below. If the date on which any notice to be given hereunder falls on a Saturday, Sunday or legal holiday, then such date shall automatically be extended to the next business day immediately following such Saturday, Sunday or Washington state holiday.

The addresses for notice are:

If to the City:

City of Kirkland
123 5th Avenue
Kirkland, WA 98034
Attention: Kurt Triplett
Phone: 425-486-3001
Email: CityManagersOffice@kirklandwa.gov
And also email: CityAttorneyOffice@kirklandwa.gov

With a copy to:

Pacifica Law Group LLP
401 Union Street, Suite 1600
Seattle, Washington 98101
Attention: John De Lanoy
Phone: 206-602-1205
Email: john.delanoy@pacificallawgroup.com

If to Developer:

Seattle Hockey Partners LLC
10601 5th Ave. NE, Suite 100
Seattle, WA 98125
Attention: Lance Lopes
Phone: 425-830-1792
Email: llopes@seattlekraken.com

With a copy to:

Miller Nash LLP
605 5th Ave. S, Suite 900
Seattle, WA 98104
Attention: Jessica Cohen
Phone: 206-777-7471
Email: Jessica.Cohen@millernash.com

Either party may change its address by written notice to the other given in the manner set forth above.

12.2. **Entire Agreement.** This Agreement and the exhibits hereto contain the entire agreement and understanding between Developer and the City concerning the subject matter of this Agreement and supersede all prior agreements, terms, understandings, conditions, representations and warranties, whether written or oral, made by Developer or the City concerning the Premises or the other matters which are the subject of this Agreement. The parties acknowledge that each party and its counsel have reviewed this Agreement and participated in its drafting and therefore that the rule of construction that

any ambiguities are to be resolved against the drafting party shall not be employed nor applied in the interpretation of this Agreement.

12.3. **Amendments and Waivers.** No addition to or modification of this Agreement shall be effective unless set forth in writing and signed by the party against whom the addition or modification is sought to be enforced. The party benefited by any condition or obligation may waive the same, but such waiver shall not be enforceable by another party unless made in writing and signed by the waiving party. No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision. Any waiver granted shall apply solely to the specific instance expressly stated.

12.4. **Severability.** The provisions of this Agreement are intended to be severable and enforced to the maximum extent permitted by law. If for any reason any provision of this Agreement shall be held invalid, illegal or unenforceable in whole or in part in any jurisdiction, then that provision shall be ineffective only to the extent of the invalidity, illegality or unenforceability and in that jurisdiction only, without in any manner affecting the validity, legality or enforceability of the unaffected portion and the remaining provisions in that jurisdiction or any provision of the Agreement in any other jurisdiction. The unaffected portion and provisions of the Agreement will be enforced to the maximum extent permitted by law.

12.5. **References.** Unless otherwise indicated, (a) all section and exhibit references are to the sections and exhibits of this Agreement, and (b) all references to days are to calendar days. All the exhibits attached hereto are incorporated herein by this reference. Whenever under the terms of this Agreement the time for performance of a covenant or condition falls upon a Saturday, Sunday or Washington state holiday, such time for performance shall be extended to the next business day. The headings used in this Agreement are provided for convenience only and this Agreement shall be interpreted without reference to any headings. The masculine, feminine or neuter gender and the singular or plural number shall be deemed to include the others whenever the context so indicates or requires.

12.6. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Washington applicable to contracts made and to be performed in Washington. Any judicial proceeding brought by either of the parties against the other party or any dispute arising out of this Agreement, the Closing, the Premises, or any matter relating thereto, shall be brought in the Superior Court of the State of Washington (in King County), or in the United States District Court for the Western District of Washington. In that regard, each party hereby waives any defense of inconvenient forum and any bond or other security that might otherwise be required of the other party with respect to such choice of judicial forum.

12.7. **Time.** Time is of the essence in the performance of the parties' respective obligations under this Agreement, and no notice of a party's intent to require strict compliance with the deadlines set forth in this Agreement is required.

12.8. **Attorneys' Fees.** If any legal action or other proceeding is commenced to enforce or interpret any provision of, or otherwise relating to, this Agreement, the losing party shall pay the prevailing party's actual expenses incurred in the investigation of any claim leading to the proceeding, preparation for and participation in the proceeding, any appeal or other post judgment motion, and any action to enforce or collect the judgment including contempt, garnishment, levy, discovery and bankruptcy. For this purpose "expenses" include, without limitation, court or other proceeding costs and experts' and attorneys' fees and their expenses. The phrase "prevailing party" shall mean the party who is determined in the proceeding to have prevailed or who prevails by dismissal, default or otherwise.

12.9. **Acceptance of Service of Process.** In the event that any legal action is commenced by the City against Developer, service of process on Developer shall be made by personal service upon Developer, or in such manner as may be provided by law, and shall be valid whether made within or without the State of Washington.

12.10. **No Assignment.** Neither party shall be permitted to assign its rights or obligations under this Agreement; provided, however, that Developer may assign this Agreement without the City's consent to an Affiliate. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the respective legal representatives, successors, assigns, heirs, and devisees of the parties. For the purposes of this Agreement, the term "**Affiliate**" means (a) an entity that directly or indirectly controls, is controlled by or is under common control with Developer, or (b) an entity at least a majority of whose economic interest is owned by Developer; and the term "control" means the power to direct the management of such entity through voting rights, ownership or contractual obligations.

12.11. **No Third Party Beneficiaries.** Nothing in this Agreement, express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any person other than the parties to it, nor is anything in this Agreement intended to relieve or discharge any obligation of any third person to any party hereto or give any third person any right of subrogation or action over or against any party to this Agreement.

12.12. **Commissions, Indemnity.** Neither the City or Developer have used a broker or finder in connection with this transaction. Each party represents to the other party that the representing party has incurred no liability for any brokerage commission or finder's fee arising from or relating to the negotiation or execution of this Agreement. Each party hereby indemnifies and agrees to protect, defend and hold harmless the other party from and against all liability, cost, damage or expense (including, without limitation, attorneys' fees and costs incurred in connection therewith) on account of any brokerage commission or finder's fee which the indemnifying party has agreed to pay or which is claimed to be due as a result of the actions of the indemnifying party. This Section 12.12 is intended to be solely for the benefit of the parties hereto and is not intended to benefit, nor may it be relied upon by, any person or entity not a party to this Agreement.

12.13. **Minority and Women Owned Business Requirements.** The City encourages Developer to provide for the maximum practicable opportunity for increased participation by minority and women-owned and controlled businesses (MWBE) in the design, development and construction of the Premises. The Washington State Office of Minority and Women's Business Enterprises (OMWBE) certifies firms that are owned and controlled by minorities or women, and can provide information regarding the certification process. Information about the certification status of a particular firm is available at the following OMWBE website address: <http://www.omwbe.wa.gov/biznetwas/>, or by contacting OMWBE at (360) 753-9693, 406 South Water, P.O. Box 41160, Olympia, Washington 98504-4611.

12.14. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signature pages may be detached from the counterparts and attached to a single copy of this Agreement to physically form one document.

12.15. **Exhibits**

Exhibit A – Legal Description

Exhibit A-1 – Depiction of Land

Exhibit B – Conceptual Design

Exhibit C – Ground Lease

Exhibit D – Community Center Sublease

Exhibit E – Facility Operations and Lease Agreement

Exhibit F – Delivery Schedule

Exhibit G – Reserved

Exhibit H – Community Center Plans & Specifications

Exhibit I – Memorandum of Lease

Exhibit J – General Assignment

Exhibit K – Guaranty

Exhibit L – Development Standards

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

CITY:

City of Kirkland

By: _____

Its: _____

DEVELOPER:

By: _____

Its: _____

Acceptance by Title Company

The Title Company acknowledges receipt of the foregoing Agreement and accepts the instructions contained herein.

Chicago Title Insurance Company

By: _____

Name: _____

Title: _____

Dated: _____

EXHIBIT A

LEGAL DESCRIPTION OF LAND

{TO BE CONFIRMED PRIOR TO EXECUTION}

PARCEL A:

LOTS 1 THROUGH 12, INCLUSIVE, BLOCK 5, CORMODE AND ADSIT'S FIRST ADDITION TO KIRKLAND, ACCORDING TO PLAT RECORDED IN VOLUME 6 OF PLATS, PAGE 44, RECORDS OF KING COUNTY, WASHINGTON, AS ACQUIRED BY JUDGMENT AND DECREE OF APPROPRIATION AS TO ITEM NO. 1 ON DECEMBER 23, 1968, IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON IN AND FOR KING COUNTY UNDER COURT CAUSE NO. 698317, AND WARRANTY DEED RECORDED MARCH 22, 1984, UNDER RECORDING NUMBER 8403220320, RECORDS OF SAID COUNTY.

PARCEL B:

NEW LOT 2, CITY OF KIRKLAND LOT LINE ALTERATION NO. LLA25-00295, RECORDED UNDER RECORDING NUMBER 20250730900001, RECORDS OF KING COUNTY, WASHINGTON

EXHIBIT A-1
DEPICTION OF LAND
[Attached.]

IN THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 AND IN THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 9, TOWNSHIP 25 NORTH, RANGE 05 EAST, W.M.

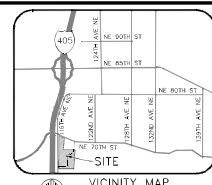
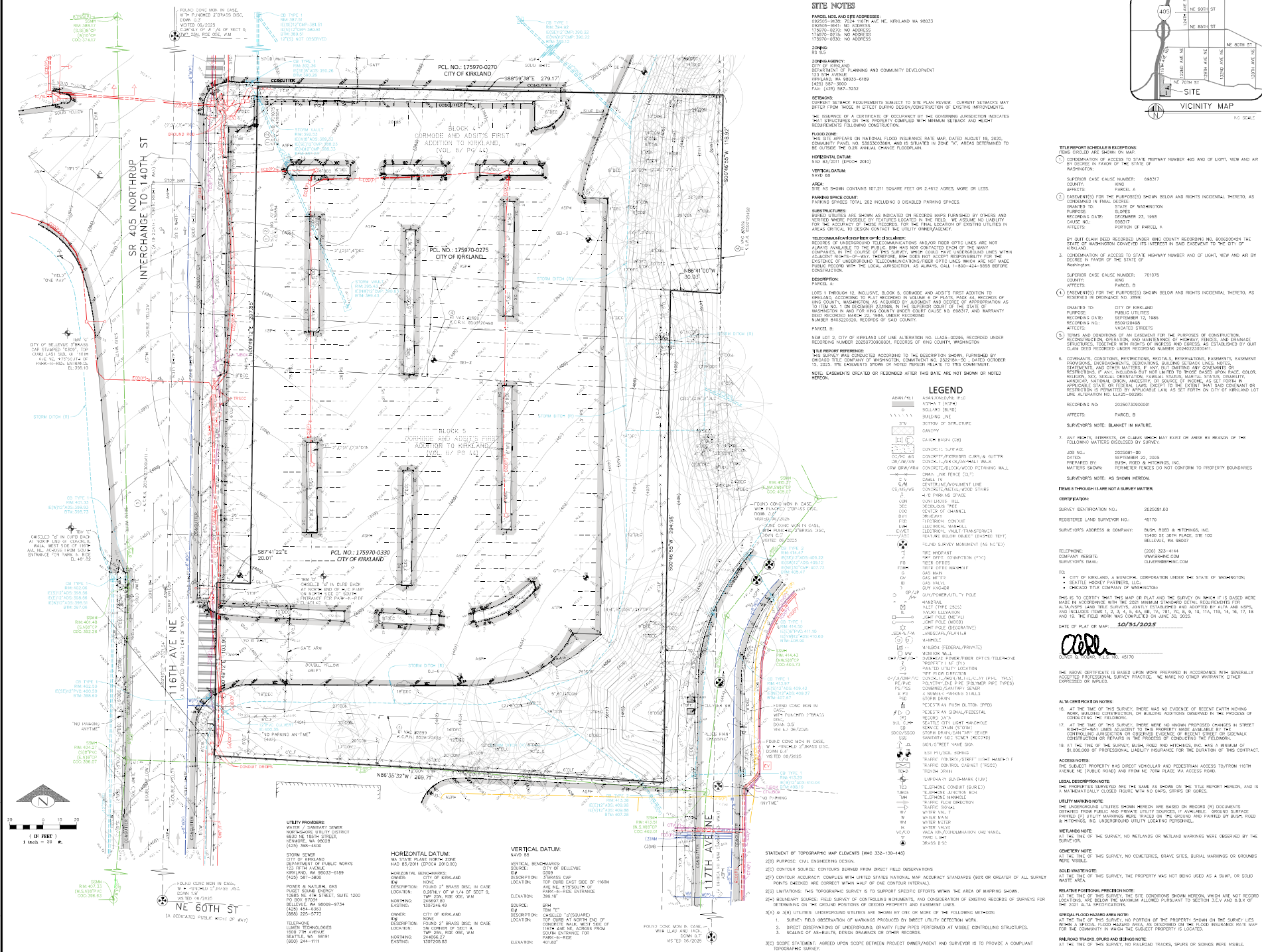
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EXHIBIT B
CONCEPTUAL DESIGN

[Attached – awaiting final approval]



GENERATOR
STUDIO



KIRKLAND COMMUNITY CENTER | UPDATED DESIGN
NOVEMBER 10, 2025



GENERATOR
STUDIO



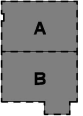
KIRKLAND COMMUNITY CENTER | UPDATED DESIGN
NOVEMBER 10, 2025



GENERATOR
STUDIO



KIRKLAND COMMUNITY CENTER | UPDATED DESIGN
NOVEMBER 10, 2025



SHEET NOTES

All Available Codes: All Work Under This Contract Shall Comply With The Provisions Of The Specifications And Drawings, and That Safety All Available Codes, Ordinances And Regulations Of All Governing Bodies Involved, All Permits And Licenses Necessary For The Proper Completion Of The Work Shall Be Secured And Paid For By The Contractor Involved.

Applicable Codes Include But Are Not Limited To The Following:

BUILDING CODE: 2021 INTERNATIONAL BUILDING CODE (IBC)
MECHANICAL CODE: 2021 INTERNATIONAL MECHANICAL CODE (IMC)
PLUMBING CODE: 2021 INTERNATIONAL PLUMBING CODE (IPC)
ELECTRICAL CODE: 2021 NATIONAL ELECTRICAL CODE (NEC)
FUEL CODE: 2021 INTERNATIONAL FUEL GAS CODE - NATURAL GAS (IFGC)
ENERGY CODE: 2021 WASHINGTON STATE ENERGY CODE - COMMODITIES (WSCC)
FIRE CODE: 2021 WASHINGTON STATE FIRE CODE (SFC)
ACCESSIBILITY CODE: 2010 ADA STANDARDS FOR ACCESSIBLE DESIGN

Use and Occupancy Classification: A-4
Construction Type: I-B
Automatic Sprinklers: YES
Actual Number of Stories: UNLIMITED
Actual Gross Building Area:
LEVEL 1 - 71,344 SF
LEVEL 2 - 31,781 SF
TOTAL - 103,125 SF

Max Stories Allowed: 12 STORIES
Max Allowable Area per Floor: UNLIMITED
Max Allowable Height: 187'-0"
Actual Height: 37' - 10" ABOVE AVERAGE GRADE
Occupant Load: 2,000 (SEE TABLE BELOW)

ROOMS/ACTIVITIES	AREA (SQUARE FEET)	OCC. LOAD
ASSEMBLY (UNRECORDED)	8,280 SF/718	718
ASSEMBLY WITH SEATED SEATS	100 PL/40	718
SKATING RINKS	32,488 SF/500	500
LOCKER ROOMS	7,583 SF/50	150
EXERCISE ROOMS	3,581 SF/50	50
MERCHANDISE	300 SF/50	7
BUSINESS AREAS	2,401 SF/150	20
CONCENTRATED BUSINESS USE AREA	318 SF/50	7
KITCHENS, COMMERCIAL	1,401 SF/200	9
ACCESSORY STOR./MECH.	10,725 SF/200	40

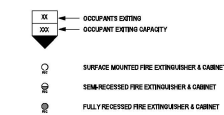
TRAVEL DISTANCE: 20' (SPRINKLED ALLOWABLE)
(TABLE 701.2)

DEAD END CORRIDOR: 30' MAX (SPRINKLED ALLOWABLE)

MINIMUM NUMBER OF REQUIRED PLUMBING FIXTURES:

FIXTURES	REQUIRED	PROVIDED
WATER CLOSETS:	4	17 MALE / 3 FEMALE / 1 UNED
URINALS:	0	0 MALE / 0 FEMALE / 1 UNED
LAUNDRIES:	0	0 MALE / 0 FEMALE / 1 UNED
DRAINING FOUNTAINS:	1	WATER PROVIDED AT BAR AND BISTRO
REFUSE RECS:	1	2

LEGEND:



TRAVEL DISTANCE
ACCESSIBLE PATH FROM MEDICINE TO POOL DECK

WALL REPAIR RATING	6'-0" TO 30'-0"	100% RATED
OPENING RESTRICTIONS	30'-0" TO 30'-0"	NO RATING
	30'-0" TO 30'-0"	NO OPENINGS
	30'-0" TO 30'-0"	100%
	30'-0" TO 30'-0"	25%
	30'-0" TO 30'-0"	40%
	30'-0" TO 30'-0"	75%
	30'-0"	NO LIMIT

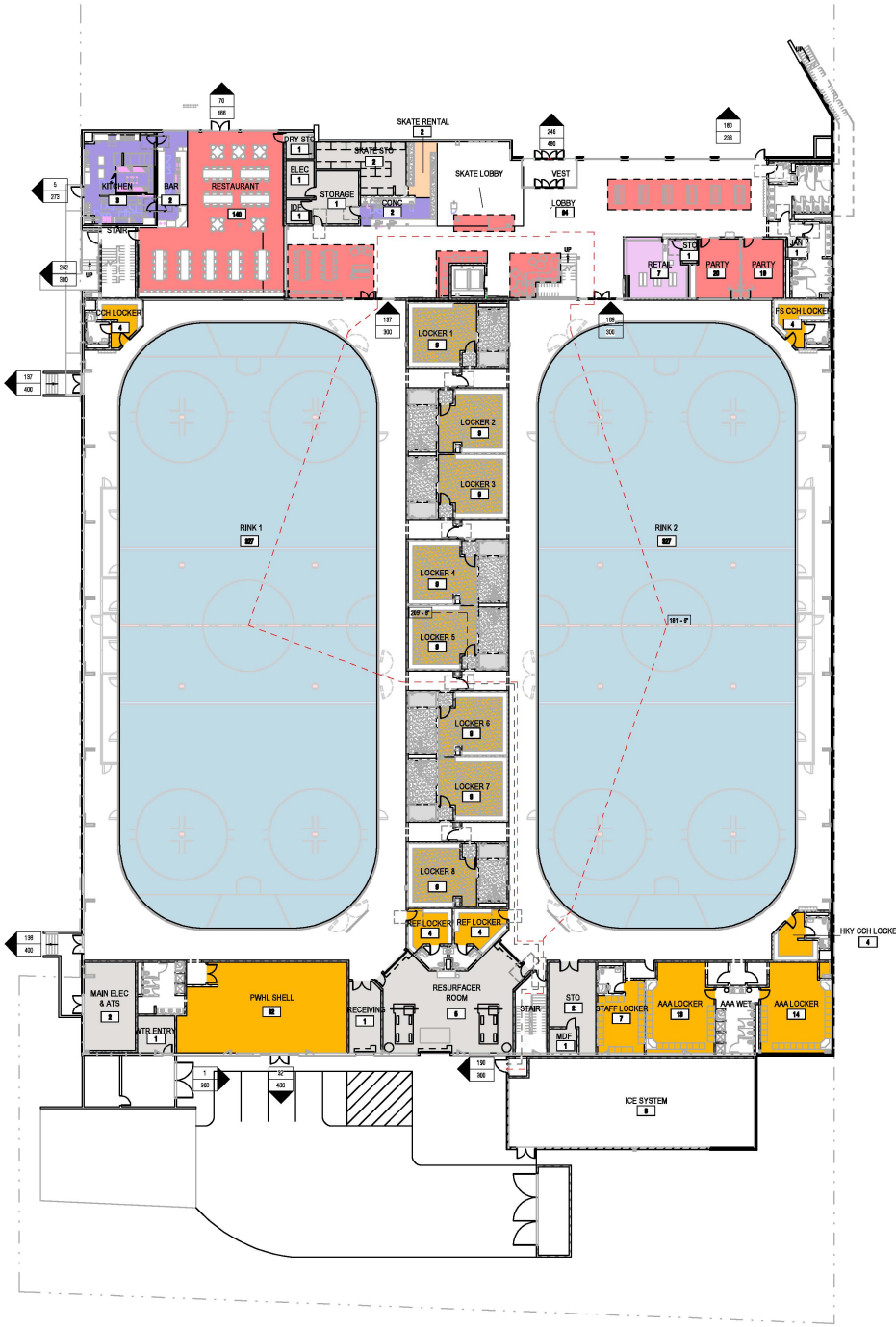
FIRE RESISTANCE RATINGS:	2 HRS
PRIMARY STRUCTURAL FRAME	2 HRS
EXTERIOR BEARING WALLS	2 HRS
INTERIOR BEARING WALLS	2 HRS
EXTERIOR NON-BEARING WALLS	1 HRS
INTERIOR NON-BEARING WALLS	2 HRS
FLOOR CONSTRUCTION	2 HRS
ROOF CONSTRUCTION	1 HRS (NOT APPL)

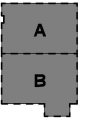
SPECIAL CONDITION: ENTIRE ROOF ASSEMBLY SPRAY FIREPROOFING FOR 1-HR RATING EXCEPT WHERE 120FT FROM FINISH FLOOR (DIRECTLY ABOVE) IS.

SPECIAL CONDITION: ALL VERTICAL STRUCTURE SUPPORTING FLOOR LEVELS AND / OR ROOF SPRAY FIREPROOFING FOR 2-HR RATING, VERTICAL STRUCTURE DOES NOT REQUIRE ADDITIONAL FIREPROOFING AT LOAD-BEARING DAM WALLS.

SPECIAL CONDITION: ALL LEVELS PRIMARY FLOOR STRUCTURE / SUPPORT AND BEARING SPRAY FIREPROOFING FOR 2-HR RATING, FLOOR DECKING DOES NOT REQUIRE ADDITIONAL FIREPROOFING IF FLOOR ASSEMBLY TOTALS 2-HR RATING.

SEE PROJECT INFORMATION FOR BUILDING CONSTRUCTION TYPE REQUIRED FIRE RESISTANCE RATINGS





SHEET NOTES

All Available Codes: All Work Under This Contract Shall Comply With The Provisions Of The Specifications And Drawings, and That Safety All Available Codes, Ordinance And Regulations Of All Governing Bodies Involved, All Permits And Licenses Necessary For The Proper Completion Of The Work Shall Be Secured And Paid For By The Contractor Involved.

Applicable Codes Include But Are Not Limited To The Following:
BUILDING CODE: 2021 INTERNATIONAL BUILDING CODE (IBC)
MECHANICAL CODE: 2021 WASHINGTON STATE MECHANICAL CODE (IMC)
PLUMBING CODE: 2021 WASHINGTON STATE PLUMBING CODE (WSPC)
ELECTRICAL CODE: 2021 NATIONAL ELECTRICAL CODE (NEC)
FUEL CODE: 2021 INTERNATIONAL FUEL GAS CODE - NATURAL GAS (IFGC)
ENERGY CODE: 2021 WASHINGTON STATE ENERGY CODE - COMMERCIAL (WSEC)
FIRE CODE: 2021 WASHINGTON STATE FIRE CODE (SFC)
ACCESSIBILITY CODE: 2010 ADA STANDARDS FOR ACCESSIBLE DESIGN

Use and Occupancy Classification: A-4
Construction Type: I-B
Automatic Sprinklers: YES
Automatic Life per Floor: UNLIMITED
Actual Gross Building Area:
LEVEL 1 - 71,344 SF
LEVEL 2 - 71,344 SF
TOTAL - 142,688 SF

Max Stories Allowed: 12 STORIES
Actual Number of Stories: 2 STORIES
Max Allowable Height: 187'-0"
Actual Height: 37'-10" ABOVE AVERAGE GRADE
Occupant Load: 2,000 (SEE TABLE BELOW)

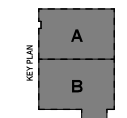
ROOM/USE TYPE	AREA (SQUARE FEET)	OCC. LOAD
ASSEMBLY (UNDESIGNATED)	8,288 SF/718	718
ASSEMBLY WITH FIXED SEATING	100 PL/40	40
SKATING RINKS	32,488 SF/504	504
LOCKER ROOMS	7,360 SF/56	156
EXERCISE ROOMS	3,560 SF/56	52
MERCHANDISE	300 SF/68	7
BUSINESS AREAS	2,401 SF/150	28
CONCENTRATED BUSINESS USE AREA	918 SF/68	7
KITCHENS, COMMERCIAL	1,401 SF/200	9
ACCESSORY STOR./MECH.	10,725 SF/200	48

TRAVEL DISTANCE: 20' (SPRINKLED ALLOWABLE)
(TABLE 907.2)
DEAD END CORRIDOR: 30' MAX (SPRINKLED ALLOWABLE)

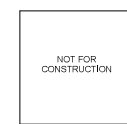
MINIMUM NUMBER OF REQUIRED PLUMBING FIXTURES:		
FIXTURES	REQUIRED	PROVIDED
WATER CLOSETS:	4	17 MALE / 3 FEMALE / 1 UNED
URINALS:	-	1 MALE
LAUNDRIES:	3	5/2 MALE / 2 FEMALE / 1 UNED
DRAINING FOUNTAINS:	1	WATER PROVIDED AT BAR AND BISTRO
REFUSE BINS:	1	2

LEGEND:
XX - OCCUPANTS EXITING
XXX - OCCUPANT EXITING CAPACITY
SURFACE MOUNTED FIRE EXTINGUISHER & CABINET
100% RECESSED FIRE EXTINGUISHER & CABINET
FULLY RECESSED FIRE EXTINGUISHER & CABINET
TRAVEL DISTANCE
ACCESSIBLE PATH FROM WEDGE TO POOL DECK

WALL REPAIR RATING	0'-0" TO 30'-0"	1HR RATED
	30'-0"+	NO RATING
OPENING RESTRICTIONS	0'-0" TO 7'-0"	NO OPENINGS
	7'-0" TO 9'-0"	15%
	9'-0" TO 10'-0"	25%
	10'-0" TO 15'-0"	40%
	15'-0" TO 25'-0"	70%
	25'-0"+	NO LIMIT



FIRM	GENERATOR S
ARCHITECT:	MIKE M
LICENSE NO.	



KIRKLAND COMMUNITY CENTER
ICEPL
6920 116TH AVE
KIRKLAND, WA 98033

100% SCHEMATIC DESIGN
ISSUE DATE: _____ **REV.** _____

[illegible]

PROJECT NO. _____
DRAWN BY: _____
CHKD BY: _____

ARCHITECTURAL SITE
PLAN
AS101

EXHIBIT C

Ground Lease

[Attached]

GROUND LEASE

THIS GROUND LEASE (the “**Lease**”) is made and entered into as of _____, 20__ (the “**Commencement Date**”), by and between the City of Kirkland, a municipal corporation (“**Lessor**”), and _____, a Delaware limited liability company (“**Lessee**”).

RECITALS:

A. This Lease concerns certain real property located in the City of Kirkland, King County, State of Washington. The real property is comprised of an approximately [_____] acre parcel of land more particularly described in the attached Exhibit A (the “**Land**”). The buildings, structures, parking areas, landscaping and other improvements located on the Land as of the Commencement Date are collectively referred to as the “**Existing Improvements**”.

B. The Land, the Existing Improvements, together with any and all buildings, structures, systems, facilities and fixtures currently located and to be located within the Land pursuant to this Lease, as well as all easements and other appurtenant rights, are referred to collectively as the “**Premises**”.

C. Lessee has agreed to demolish the Existing Improvements and Develop the Land by constructing, maintaining, and operating a two story Seattle Kraken branded, two (2) ice rink facility with rink seating, restaurant, and a parks and recreation community space (the “**Project**” or “**Leasehold Improvements**” as further defined in Section 11.1), consisting of gross square footages of approximately (i) 62,500 square feet of ice rinks and seating, (ii) no less than 2,300 square feet of restaurant space, and (iii) approximately 13,500 square feet of public community center space, of which 12,614 is usable square feet (the “**Community Center**”).

D. Lessee is willing to construct the Leasehold Improvements and operate the Premises as the Project in accordance with the terms and conditions set forth in this Lease on the express condition that Lessor enter into a long-term lease of the Premises on the terms and conditions set forth below.

E. Lessor is willing to enter into a long-term lease of the Premises on the express condition that Lessee constructs the Leasehold Improvements and thereafter operates the Premises as the Project during the Term of this Lease on the terms and conditions set forth below.

F. Lessor and Seattle Hockey Partners LLC (“**Developer**”) are the parties to that certain Agreement to Lease dated as of [_____] (the “**Agreement to Lease**”) pursuant to which Developer has the right to lease the Premises from Lessor upon the satisfaction of certain conditions precedent. Developer has assigned its interest in the Agreement to Lease to Lessee by separate agreement. The conditions precedent for execution of the Lease having now been satisfied, Lessor and Lessee desire to enter into this Lease.

NOW, THEREFORE, in consideration of the rents to be paid hereunder and of the agreements, covenants and conditions contained herein, the parties hereby agree as follows:

1. **Basic Lease Information**

The following is a summary of basic lease information. Each term or item in this Section 1 shall be deemed to incorporate all of the provisions set forth below pertaining to such term or item and to the extent there is any conflict between the provisions of this Section 1 and any more specific provision of this Lease, the more specific provision shall control.

Lessor: City of Kirkland
City of Kirkland
123 5th Avenue
Kirkland, WA 98034
Attention: Kurt Triplett
Phone: 425-486-3001
Email: CityManagersOffice@kirklandwa.gov
And also email: CityAttorneyOffice@kirklandwa.gov

Lessee: [_____]
c/o Seattle Hockey Partners LLC
10601 5th Ave. NE, Suite 100
Seattle, WA 98125
Attn: Lance Lopes
Email: llopes@seattlekraken.com

Term: [_____] (34) years from Commencement Date.

Commencement Date: Date of this Lease

Expiration Date: _____ day and month of __, 206_ [NOTE:
Commencement Date + 34 years.]

Base Rent (Section 6): Base Rent in the amount of \$1.00.

Use (Section 10): The Premises shall be used by Lessee for the Development and operation of an ice-skating facility with associated amenities, such as locker rooms, a restaurant(s), and a community space

2. Definitions

All capitalized terms not otherwise defined in this Lease shall have the meanings set forth in the Glossary attached to this Lease and made a part hereof.

3. Lease of Premises; Reservation of Rights

3.1. **Lease of Premises.** As of the Commencement Date, Lessor hereby demises and leases the Premises to Lessee, and Lessee hereby accepts and leases the Premises from Lessor, on and subject to the terms and conditions set forth in this Lease. This Lease shall be subject to (a) all Applicable Laws and all zoning and other governmental regulations and entitlements now or hereafter in effect, and (b) all liens, assessments, encumbrances, restrictions, rights and conditions of law or of record existing as of the Commencement Date, **TOGETHER WITH** all appurtenances, rights, privileges, and easements benefiting, belonging, or pertaining thereto, and together with the buildings, structures, and improvements erected or to be erected thereon, whether presently or in the future. All rights and interests of the Lessor in any personal property contained within or used in connection with the Premises are hereby made subject to this Lease for the Term of this Lease, subject to the agreement to transfer back to Lessor pursuant to Section 27 hereof. Lessor and Lessee agree that from time to time, they each will promptly execute and deliver all further commercially reasonable instruments and documents, and take all further action, that may be necessary or desirable, in order to reflect the disposition of such personal property.

3.2. **Reservation of Rights.**

3.2.1. Reserved Rights. Lessor hereby reserves the right, at all reasonable times and, following reasonable advance written notice to Lessee (which notice may be by email), to enter and to permit governmental bodies, public or private utilities and any other persons or entities authorized by Lessor to enter upon the Premises for the purposes of installing, operating, maintaining, renewing, relocating and replacing water, oil, gas, steam, storm sewer, sanitary sewer and other pipe lines, telephone, electric, power and other lines, conduits, and facilities. Lessor further reserves the right, at all reasonable times and, following reasonable advance notice to Lessee, to permit Lessor, governmental bodies, public or private utilities and any other persons or entities authorized by Lessor to enter upon the Premises for the purposes of remediation of Hazardous Substances in, on, or under, the Premises or any other property in the vicinity of the Premises; provided, such entry and work performed shall not materially and adversely impact the operations of Lessee at the Premises and shall not interfere with the occupancy of any Subtenant at the Premises (including the use of the Premises by any PWHL or NHL team) and shall (except in cases of emergency) be conducted during normal business hours.

3.2.2. Inspection. Lessor shall be entitled, at all reasonable times and upon reasonable notice to Lessee, and in a commercially reasonable manner, to go upon and into the Premises and the Improvements for the purposes of (i) inspecting the same; (ii) inspecting the performance by Lessee of the terms, covenants, agreements and conditions of this Lease; (iii) posting and keeping posted thereon notices of non-responsibility for any construction, alteration or repair; (iv) performing (or permitting third parties to perform) any work, testing or monitoring in connection with any governmental requirements that is not otherwise the responsibility of Lessee under this Lease, and (iv) any other reason permitted under this Lease; provided that Lessor shall not materially and adversely impact the operations of Lessee at the Premises, and Lessor shall not interfere with the occupancy of any Subtenant at the Premises (including the use of the Premises by any PWHL or NHL team).

3.2.3. Waiver of Claims. Except to the extent of Lessor's gross negligence or willful misconduct in the exercise of its rights under this Section 3.2, or breach of this Lease, Lessee hereby waives and releases any claims against Lessor or any Lessor Parties for damages for any injury or inconvenience to or interference with Lessee's business at the Premises, any loss of occupancy or quiet enjoyment or the Premises or any other loss, damage, liability or cost occasioned by Lessor's exercise of the rights reserved to Lessor under, or granted to Lessor pursuant to, this Section 3.2. In no event shall Lessee be entitled to terminate this Lease as a result of Lessor's exercise of its rights under this Section 3.2, notwithstanding any possible liability of Lessor for damages resulting from the exercise of such rights. Notwithstanding the foregoing, the waiver and release set forth in this Section 3.2.3 are not intended and shall not be construed to affect or impair any rights or remedies that Lessee may have against Lessor as a result of any breach of any representations or warranties made by the Lessor or any of the covenants of the Lessor set forth in this Lease.

3.2.4. Repair of Damage. Lessor shall at Lessor's sole cost and expense repair any damage done to the Premises to restore the Premises to the condition that existed immediately prior to the exercise by Lessor of its rights under this Section 3.2.

3.2.5. Entitlements and Agreements. As fee owner of the Premises and of other real property in the vicinity of the Premises, Lessor may desire from time to time to apply for entitlements, seek rezoning, or otherwise endeavor to negotiate agreements with the governmental entities having jurisdiction over Lessor's property. So long as Lessor's efforts (i) do not have a material adverse impact on Lessee's use, operation, value or marketability of the Premises, or (ii) do not discriminate against the Premises or disproportionately burden the Premises as compared to other properties in the vicinity of the Premises, Lessee shall not publicly oppose or object to any such efforts by Lessor.

4. Acceptance Of Premises

4.1. **Lessee's Due Diligence.** Prior to entering into this Lease, Lessee has made a thorough, independent examination of the Premises and all matters relevant to Lessee's decision to enter into this Lease, and Lessee is thoroughly familiar with all aspects of the Premises and is satisfied that they are in an acceptable condition and meet Lessee's needs. Without in any way limiting the generality of the foregoing, Lessee's inspection and review has included, to the extent that Lessee in its sole discretion has deemed necessary or appropriate:

4.1.1. all matters relating to title, and all municipal and other legal requirements such as taxes, assessments, zoning, use permit requirements and building codes;

4.1.2. the physical condition of the Premises, the Existing Improvements, and the land underneath the Existing Improvements, including the soils and groundwater, any other geological conditions, engineering data (including, but not limited to, structural, seismic and engineering evaluations that might impact the Improvements), the presence or absence of known Hazardous Substances upon or in the vicinity of the Premises, and all other physical and functional aspects of the Premises;

4.1.3. the suitability of the Premises for the permitted use;

4.1.4. the boundaries of the Premises and all access rights to which the Premises are subject;

4.1.5. the Development potential of the Premises and/or the zoning, land use, or other legal status of the Premises or compliance with any public or private restrictions on the use of the Premises, as the same are in effect as of the Commencement Date, or may be hereafter modified, amended, adopted, published, promulgated or supplemented; or the compliance of the Premises or Improvements with any Applicable Laws;

4.1.6. the availability, existence, quality, nature, adequacy and physical condition of utilities servicing the Premises;

4.1.7. Lessee's ability to obtain appropriate licenses and satisfy all licensing requirements under Applicable Laws;

4.1.8. all material information relating to the leasing and operation of the Premises (including occupancy as of the Commencement Date); and

4.1.9. the economics and feasibility of the Development of the Improvements and the business operations Lessee intends to conduct on the Premises, including without limitation, market conditions and financial viability.

4.2. **Acceptance of the Premises.** Lessee acknowledges that, except as otherwise provided in this Lease, Lessor has made no representations or warranties, express or implied, regarding the Premises or matters affecting the Premises, whether made by Lessor, on Lessor's behalf or otherwise, including, without limitation, the physical conditions beneath the Premises; title to, or the boundaries of the Premises; the presence, existence or absence of Hazardous Substances on, under or in the vicinity of the Premises; compliance of the Premises with Applicable Laws; traffic patterns, the availability of utilities, the Development potential of the Premises, market data, economic conditions or projections; the suitability of the Premises for the permitted use; the economic feasibility of the business operations Lessee intends to conduct on the Premises; or any other matter pertaining to the Premises or the market and physical

environments in which the Premises are located. Lessee acknowledges: (a) Lessee has engaged a sophisticated real estate developer with sufficient experience and expertise to evaluate the Premises, feasibility of the Project, and the risks associated with acquiring a leasehold interest in the Premises upon the terms and conditions set forth herein; (b) Lessee has received sufficient information and had adequate time to make such an evaluation; (c) Lessee has entered into this Lease with the intention of relying upon its own investigation or that of third parties with respect to the Premises; (d) in connection with its investigations and inspections of the Premises, Lessee has had the opportunity to obtain the advice of advisors and consultants as Lessee deemed to be necessary, and that Lessee has reviewed thoroughly the reports of such advisors and consultants, as well as all materials and other information given or made available to Lessee by Lessor and by public and governmental entities; and (e) Lessee is not relying upon any statements, representations or warranties of any kind, other than those specifically set forth in or required pursuant to this Lease or the Agreement to Lease. Lessee further acknowledges that it has not received from or on behalf of Lessor any accounting, tax, legal, architectural, engineering, property management or other advice with respect to this transaction and is relying solely upon the advice of third party accounting, tax, legal, architectural, engineering, property management and other advisors. Lessee agrees and acknowledges that any surveys, reports, studies, plans or other documentary information about the Premises that may have been delivered to Lessee by Lessor were delivered merely as a courtesy, and without any representation or warranty relating to the validity of such documents; Lessee has not relied on such documents, and Lessee is responsible for verifying the accuracy and completeness of such documents and any information contained therein. Lessee has satisfied itself as to such suitability and other pertinent matters by Lessee's own inquiries and tests into all matters relevant in determining whether to enter into this Lease. Except as otherwise specifically provided in this Lease or in the Agreement to Lease, Lessee accepts the Premises and all conditions in the vicinity of or affecting the Premises in their existing condition and hereby expressly agrees that if any investigation, remedial or restoration work is required in order to conform the Premises to the requirements of Applicable Laws, Lessee shall assume sole responsibility for any such work. Except as otherwise specifically provided in this Lease, **Lessee is acquiring on the Commencement Date a leasehold interest in the Premises in its "AS IS" condition and "WITH ALL FAULTS".**

5. Term

5.1. **Term.** The term of this Lease (the "**Term**") shall be for the period stated in the Basic Lease Information, commencing on the Commencement Date and expiring at 11:59 p.m. on the Expiration Date or on such earlier date as this Lease may be terminated as hereinafter provided.

5.2. **Extension Options.** Provided Lessee is not in Default beyond any applicable cure period, Lessee shall have the right (each an "**Option**") to extend the initial Term of the Lease for two (2) consecutive periods of fifteen (15) additional years each (each, an "**Option Term**"). Lessee may exercise each Option by providing Lessor with written notice of such exercise no later than nine (9) months prior to the expiration of the then-existing Term in effect, provided, at the time Lessee exercises such Option, Lessee is not in Default of this Lease. Following Lessee's timely and valid exercise of an Option, Lessee shall prepare and Lessor shall execute and deliver to Lessee an amendment to this Lease confirming the Term as extended by the Option Term. There shall be no further options to extend or renew the Term beyond the two (2) Option Terms. If Lessee elects not to exercise the first Option or the second Option as provided herein, the option privilege shall be extinguished and the Term shall end upon the expiration of the initial Term or the first Option Term, as the case may be.

5.3. **Terms of Extension Options.** If one or more Options is exercised, as aforesaid, all of the same terms, provisions and conditions set forth in this Lease shall apply and Lessee shall pay the Base Rent in the amount and as required during the initial Term.

5.4. **Early Termination Right.** In the event that Lessor acquires the Improvements from Lessee pursuant to that certain Option to Purchase by and between Lessor and Lessee set forth in Section 37 herein, this Lease shall automatically terminate on the date when the Improvements are conveyed by quit claim improvements deed from Lessee to Lessor. Upon Lessor's acquisition of the Improvements, Lessor and Lessee will enter into the Operating Lease (as defined in the Agreement to Lease) whereby Lessor leases the Skating Facility and Restaurant (as each are defined in the Agreement to Lease) to Lessee in exchange for Lessee's payment of rent as described in Section 37.1.13.

6. **Rent; Capital Expenditures.**

6.1. **Rent.**

6.1.1. **Base Rent.** Commencing on the Commencement Date, and thereafter on each anniversary of the Commencement Date through the date of Substantial Completion, Lessee shall pay Base Rent equal to \$1.00 per year. In the event Lessor does not exercise the Option to Purchase the improvements, Lessor shall pay rent under the Community Center Sublease equal to the amount that Lessee's debt service payments of the permanent financing exceed the amount that Lessee would have paid in rent as described in Section 37.1.13 had Lessor issued the Bond Financing.

6.1.2. **CapEx Fund Payments.** Commencing on the Commencement Date and thereafter on the first day of each month during the Term, Lessee shall pay the Lessor an amount equal to \$8,333.33 (which is equal to one-twelfth of the annual CapEx Fund payments and which is the equivalent of \$1.60 per square foot of the Skating Facility) ("**Monthly CapEx Fund Payments**") which amounts shall be deposited into the CapEx Fund to be used in accordance with Section 6.2.3. On each anniversary of the Commencement Date, the amount of the Monthly CapEx Fund Payments shall be increased by the CPI Change.

6.2. **Capital Expenditures.** During the Term, as extended, Lessee is solely and exclusively responsible for the performance of all capital maintenance, capital replacement, capital restoration, capital repairs, capital re-equipping and capital improvements necessary to meet the Applicable Standard and to fulfill Lessee's rights and obligations under the CapEx Work Plan (the "**CapEx Work**"), and for all costs and expenses thereof (the "**CapEx Expenses**"). CapEx Work includes any capital work that is reasonably required to be performed in and about the Premises to comply with the Applicable Standard and Applicable Law, including, but not limited to, all necessary capital improvements identified in any Facility Assessment, and CapEx Work necessitated by damage, normal wear and tear, defects in construction or design, or any other cause.

6.2.1. **Lessee's Obligation to Fund CapEx.** Lessee shall be responsible for performing all work necessary to meet the Applicable Standard and to fulfill Lessee's obligations under the CapEx Work Plan without respect to the sufficiency of the CapEx Fund to fund, or reimburse Lessee for, the cost of such CapEx Work at the time such work is performed. The parties acknowledge and agree that Lessee is responsible for obtaining all Permits and Approvals with respect to the CapEx Work, with the cost of such Permits and Approvals paid as CapEx Expenses. Lessee acknowledges and agrees that Lessor shall have no liability for any CapEx Work.

6.2.2. **CapEx Fund.**

6.2.2.1. Establishment. Lessor shall establish a CapEx Fund, from which costs and expenses for CapEx Work shall be paid, consistent with this Section 6.

6.2.2.2. Lessee CapEx Contributions. Lessee's Monthly CapEx Fund Payments

to the CapEx Fund shall be paid in accordance with Section 6.1.2.

6.2.2.3. City CapEx Annual Contributions. Lessor may contribute such additional funds as Lessor may elect, in its sole discretion.

6.2.2.4. CapEx Fund Management. The CapEx Fund shall be managed by Lessor consistent with this Lease. Interest and other earnings on the CapEx Fund will be retained in and constitute part of the CapEx Fund account. All disbursements from the CapEx Fund shall be consistent with the terms and provisions of Section 6.2.3.

6.2.3. **CapEx Fund Use.**

6.2.3.1. Expenditure of Funds: Limitations. All amounts in the CapEx Fund shall be used for CapEx Expenses; provided, Lessor may, but shall not be obligated to, use funds in the CapEx Fund to cure any Event of Default, after any applicable cure period and consistent with Section 25, in addition to exercising any other rights Lessor has to cure any Event of Default. Lessee shall be entitled to undertake CapEx Work and cause Lessor to either pay such CapEx Expenses directly from the CapEx Fund or to reimburse Lessee from the CapEx Fund for such CapEx Expenses if the CapEx Work item: (i) is contemplated by the current approved CapEx Work Plan or is otherwise approved by Lessor in writing; (ii) constitutes an emergency item pursuant to Section 6.2.3.6; (iii) is used for restoration following non-Catastrophic Damage in accordance with Section 20; or (iv) costs no more than \$50,000 for an individual improvement nor more than \$100,000 in the aggregate for all such improvements in a Lease Year, such amounts to be adjusted each Lease Year in proportion to the CPI Change from the previous Lease Year. Any other use of funds from the CapEx Fund shall require Lessor's advance written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Expenditures from the CapEx Fund shall not be used for Operating Expenses or Maintenance Expenses.

6.2.3.2. Limitation on Reimbursements to Lessee. Following the fifth (5th) Lease Year, Lessee may not be reimbursed from the CapEx Fund for CapEx Work undertaken by Lessee if such reimbursement would reduce the balance of the CapEx Fund below \$100,000 (the "**Minimum Balance**"), nor shall funds from the CapEx Fund directly pay CapEx Expenses if such direct payment would cause the balance of the CapEx Fund to fall below the Minimum Balance. Lessee shall directly pay the costs and expenses of performing any and all CapEx Work necessary to meet the Applicable Standard and to fulfill Lessee's obligations under the CapEx Work Plan until such time as the Minimum Balance is sufficient to be maintained after reimbursing Lessee for CapEx Work or after directly paying the costs and expenses of the CapEx Work. Lessee shall be reimbursed from the CapEx Fund retroactively for any such directly funded CapEx Work as and when the CapEx Fund balance is sufficient to maintain the Minimum Balance.

6.2.3.3. Third-Party Reimbursements. Lessee shall promptly reimburse to the CapEx Fund any amounts paid therefrom for any CapEx Work to the extent Lessee receives funds from any source as reimbursement for CapEx Expenses incurred during the Term (including, but not limited to, insurance proceeds and recovery from third parties).

6.2.3.4. Disbursement at End of Term. Upon the expiration of the Term, any remaining amounts in the CapEx Fund shall be retained by the Lessor.

6.2.3.5. CapEx Fund During Event of Default. If an Event of Default occurs during the Term and is not cured upon the termination of this Lease, no amount of the CapEx Fund shall be distributed to Lessee until the Event of Default is cured or otherwise resolved, and may be used by Lessor, in its reasonable discretion, to pay Lessee obligations that have accrued and are owing hereunder to Lessor as of such date. Upon cure of any such Event of Default, any amounts remaining in the CapEx Fund shall

be distributed to Lessee.

6.2.3.6. Emergency Major Maintenance and Capital Improvements. If Lessee reasonably determines that the health or safety of persons or property, or the ability to play host NHL or PWHL practices or events in the Facility, will be jeopardized absent the immediate commencement of CapEx Work, Lessee may commence such CapEx Work without the prior written approval of Lessor and be reimbursed from the CapEx Fund for such purpose, provided Lessee promptly notifies Lessor of all such CapEx Work made by Lessee pursuant to this Section.

7. Taxes

7.1. Taxes.

7.1.1. Leasehold Excise Tax. In addition to the Base Rent, Lessee shall pay all leasehold excise tax on all "Taxable Rent", as defined in RCW 82.29A (currently 12.84% of Taxable Rent). Taxable Rent includes that portion of the Base Rent, and other consideration considered "Contract Rent" as defined in RCW 82.29A. Notwithstanding any provision of this Lease to the contrary, following an assignment or other transfer by Lessor of its interest in the Premises (including an assignment of its interest under this Lease), leasehold excise tax shall not be payable on Taxable Rent if the assignee is not the State of Washington, a county, city, port district, municipal corporation, public development authority, or other entity which is exempt from payment of ad valorem property taxes under Applicable Laws, or is not required to collect leasehold excise tax under RCW Chapter 82.29A, as amended from time to time, in which case, Lessee shall be responsible for payment of all real and personal property taxes assessed against the Premises as provided in Section 7.2.2 of this Lease.

7.1.2. Taxes. In addition to the leasehold excise tax described above, Lessee shall pay all real and personal property taxes, assessments (including assessments for public improvements), rates, charges, license and permit fees, municipal liens, levies, excises or imposts, sales, use and occupancy taxes, business and occupation taxes, leasehold excise taxes on subleases or otherwise, gross receipts and similar taxes, any tax or charge assessed against the fair market value of the Premises, and any taxes levied or assessed in addition to or in lieu of, in whole or in part, such taxes, assessments or other charges of every name, nature and kind whatsoever, including without limitation all governmental charges of every name, nature or kind that may be levied, assessed, charged or imposed or may be or become a lien or charge (i) upon the Premises or any part thereof; (ii) upon the rent or income of Lessee; (iii) upon the use or occupancy of the Premises; or (v) upon Lessor by reason of its interest in the Premises. All of the foregoing taxes, assessments and other charges which are the responsibility of Lessee are herein referred to as "**Taxes**". If at any time during the Term, under any Applicable Laws, any new Tax is levied or assessed against Lessor directly, in substitution in whole or in part for Taxes then in effect, Lessee covenants and agrees to pay and discharge such Tax. The parties reasonably believe that neither the leasehold interest in the Premises or the Premises is subject to Taxes, and in the event the same becomes subject to such Taxes, Lessor agrees, at no cost to itself, to use commercially reasonable efforts to support and assist Lessee in obtaining an exemption from such Taxes. For purposes of clarity and the avoidance of doubt, and notwithstanding anything to contrary contained herein, (i) Lessor makes no representation or warranty regarding whether Lessee, the Premises, or Lessee's interest in the Premises is exempt from Taxes, (ii) Lessor shall be under no obligation to maintain any exemption from Taxes in any way, and (iii) Lessee shall be solely responsible for the costs of apply for and obtaining any exemption from Taxes.

7.1.3. Admissions Tax. All taxes collected on admissions sales at the Project shall be collected and credited towards capital maintenance funding of the Project.

7.1.4. Exclusions. Notwithstanding the foregoing, Lessee shall not be required to pay any

income taxes (if any) or business and occupation taxes (if any) on the rents and other amounts received by Lessor from Lessee under this Lease unless such taxes are levied in substitution, in whole or in part, for Taxes then in effect.

7.2. **Payment.** Lessee shall pay all LET to Lessor, and Lessor shall collect all LET from Lessee and remit payment to the Washington State Department of Revenue.

7.3. **Right to Contest.** Lessee shall have the right to contest, by appropriate proceedings and at Lessee's sole cost and expense, the amount or validity, in whole or in part, of any Taxes; provided, however, that Lessee shall not have the right to contest the inclusion of the Premises in any existing assessment district currently affecting the Premises as of the Commencement Date. In the event the applicable taxing authority having jurisdiction over the contest proceedings allows the posting of security or some other method of deferring payment of the disputed Taxes, Lessee may do so; otherwise Lessee shall not postpone or defer payment of any disputed Taxes but shall pay such Taxes in accordance with Section 7.2 notwithstanding such contest. Lessor shall have no obligation to join in any such proceedings. Lessee shall indemnify and defend Lessor against and hold Lessor harmless from and against any and all Claims, arising from or in connection with any such proceedings.

7.4. **Proration.** Any Taxes relating to a fiscal period of any taxing authority, only a part of which period is included within the Term, shall be prorated as between Lessor and Lessee so that Lessor shall pay the portion thereof attributable to any period outside the Term, and Lessee shall pay the portion thereof attributable to any period within the Term.

7.5. **Future Assessment Districts.** Without limiting Lessee's obligations to pay Taxes pursuant to Section 7.2, Lessee shall participate in any new improvement or special assessment district proposed to be created by a governmental authority (a "**Proposed District**") and shall not have the right to contest the inclusion of the Premises in such Proposed District unless (i) Lessor is also contesting inclusion, or (ii) Lessor in its reasonable discretion gives written approval to Lessee to contest such inclusion. In the event either Lessor or Lessee receives any notice or other information relating to a Proposed District, the party receiving such notice shall promptly advise the other party in writing of such receipt. Lessor shall have no obligation to join in any challenge by Lessee of a Proposed District that Lessor permits Lessee to undertake, and Lessor shall be free to assert a position contrary to the position of Lessee with respect to any Proposed District. If the Proposed District is ultimately formed and affects the Premises, such assessments shall be included in Taxes for all purposes of this Lease, provided Lessee may pay any resulting assessments over the maximum period allowed by law, and shall be liable only for any installments that become due during the Term.

8. **Operational Provisions.**

8.1. **Hours of Operation.** Following Substantial Completion, the following hours of operation shall apply:

8.1.1. Skating Rinks. Lessee shall cause the skating rinks to continuously operate and be open for business during a minimum of the following hours: 6 a.m. to 10 p.m.

8.1.2. Restaurant. Lessee shall cause the Restaurant to continuously operate and be open for business in the Restaurant every day during the hours of 12 p.m. to 10 p.m. as a minimum. If after operating in the Restaurant for the hours required above for at least twelve (12) months, Lessee determines that certain hours on a particular day of the week are not profitable, Lessee shall notify Lessor and shall provide evidence supporting this determination. If Lessor in its reasonable judgment agrees that the operating hours are not profitable, Lessee shall not be required to remain open for the operating hours

that are not profitable.

8.1.3. General. Lessee acknowledges that Lessor will be irreparably damaged if Lessee fails to open for business or otherwise to comply with this Section and that Lessor shall have the right to specifically enforce this provision. Lessee shall also have the right to cease operations during the Term for alterations and refurbishment of the skating rinks and/or Restaurant, as determined by Lessee for no longer than twenty (20) consecutive days without Lessor's approval. Lessee agrees to continue the operation of its business in the Premises to the extent reasonably practicable from the standpoint of good business during any period of reconstruction or repair.

8.2. **Operations; Maintenance; Lessee Submissions.**

8.2.1. Lessee Operations Obligations. Lessee is solely and exclusively responsible for performing Operations at the Premises. **"Operations"** means the routine and regular provision of all labor, materials, utilities and other services required to use, operate and manage the Premises, and shall include but not be limited to the following elements: (i) staffing the Premises during activities; (ii) scheduling, presenting and promoting hockey and skating events; and (iii) managing all other Operations of the Premises. Notwithstanding the foregoing, pursuant to the Community Center Sublease, Lessor, at its sole cost and expense, shall be responsible for performing all maintenance and repairs associated with the Community Center (but including only the plumbing, electrical and HVAC systems located within the Community Center and specifically excluding any shared lobby, elevator, roof, exterior walls, exterior doors and foundations of the Facility).

8.2.1.1. Applicable Standard. Following Substantial Completion of the Project, Lessee shall perform Operations at the Premises in a first class, professional, businesslike and efficient manner, consistent with the manner in which other first class, top-tier skating facilities are operated, including without limitation, the Kraken Community Iceplex located in Seattle, Washington, in conformance with the Operations Plan.

8.2.2. Lessee Maintenance Obligations. Lessee is solely and exclusively responsible for performing Maintenance of the Premises (except with respect to the Community Center). **"Maintenance"** means the routine and regular provision of all labor, materials, utilities and other services for: (i) performing all preventive or routine non-capitalized maintenance, including that which is stipulated in operating manuals for the Premises (and the equipment, fixtures and systems therein) as regular, periodic maintenance procedures; (ii) conducting regular non-capitalized maintenance for all Facility systems, including the heating, ventilation and air conditioning systems, electrical, plumbing and mechanical, technology infrastructure, vertical transportation, and roof; (iii) performing routine maintenance of the surface of the skating rinks; (iv) keeping all portions of the Premises clean and free from debris; and (v) performing all other non-capitalized routine repair and replacement of the Premises, all subject to normal wear and tear, casualty as set forth in Section 21 and condemnation. Lessee shall perform Maintenance of the Premises in compliance with the Maintenance Plan and Applicable Standard. Notwithstanding the foregoing, pursuant to the terms of the Community Center Sublease, Lessor, at its sole cost and expense, shall be responsible for performing all maintenance and repairs associated with the Community Center (but including only the plumbing, electrical and HVAC systems located within the Community Center and specifically excluding any shared lobby, elevator, roof, exterior walls, exterior doors and foundations of the Facility).

8.2.3. Operations Expenses and Maintenance Expenses. Lessee is solely and exclusively responsible for and shall pay all costs and expenses associated or incurred in connection with performing (i) Operations (the **"Operating Expenses"**), and (ii) Maintenance (the **"Maintenance Expenses"**) of the Premises (except with respect to the Community Center as provided above). Lessee

covenants and agrees to provide sufficient funding to satisfy these obligations and acknowledges and agrees Lessor shall have no liability for the performance or cost and expense of any Operations or Maintenance. The City, at its sole cost and expense, shall be responsible for all operating expenses and maintenance expenses associated with the Parking Area.

8.2.4. Delegation of Operations, Maintenance and CapEx Work. Lessor acknowledges that Lessee shall have the right to delegate performance of its Operations, Maintenance and CapEx Work obligations to a wholly-owned subsidiary of Lessee, or to an affiliate controlled by or under common control with Lessee, provided that (i) Lessee promptly notifies the City of such delegation, (ii) Lessee shall not be released from liability to Lessor under this Lease for the performance of all such duties and (iii) Lessee shall be responsible for ensuring that Operations are performed consistent with the Operations Plan and Applicable Standard and that Maintenance and CapEx Work are performed consistent with the Facility Management Plan and Applicable Standard. This delegation shall in no manner limit Lessee's duty to indemnify Lessor Indemnities under Section 20.

8.2.5. Outsourcing of Operations and/or Maintenance Duties. Lessee (or its affiliate or subsidiary, pursuant to Section 8.2.4 above) may outsource its Operations and/or Maintenance duties to a third-party operator, subject to Lessor's approval, which approval shall not be unreasonably withheld, conditioned or delayed, provided the third-party operator has substantial experience operating and maintaining facilities similar to the Facility. Lessee shall not be released from liability to Lessor under this Lease for any such outsourced Operations and/or Maintenance work and shall remain responsible for ensuring that such outsourced services are performed consistent with Lessee's obligations under this Lease. Lessee's outsourcing of Operations and/or Maintenance duties shall in no manner limit Lessee's duty to indemnify Lessor Indemnities under Section 20.

8.2.6. Permits and Approvals. The Parties acknowledge and agree that Lessee is responsible for obtaining all necessary Permits and Approvals with respect to the use, management, Operations and Maintenance of the Premises.

8.3. Practice Facility. During the Term following Final Completion, Lessee shall:

8.3.1. With respect to visiting NHL teams scheduled to play the Seattle Kraken at the Climate Pledge Arena that require a practice site outside of the Climate Pledge Arena, Lessee shall prioritize use of the Facility for practice purposes over other facilities, including, without limitation, the Kraken Community Iceplex. In furtherance of the foregoing, Lessee agrees to use commercially reasonable efforts to cause such visiting NHL teams to practice at the Facility from time to time each Lease Year.

8.3.2. With respect to the Seattle-based PWHL team, Lessee will use commercially reasonable efforts to cause such PWHL team to use the Facility as its practice facility at the time of Final Completion and thereafter to the extent commercially feasible.

8.4. **Lessee Submissions.** Following Final Completion, by September 1 of each Lease Year, beginning in the first calendar year following the issuance of a final certificate of occupancy for the Project, Lessee shall prepare and submit to Lessor two plans, the "Operations Plan" and the Management Plan", that together set forth how, for the subsequent Lease Year, Lessee will carry out its Operations in a manner consistent with the Applicable Standard and its Maintenance and CapEx Work obligations in a manner consistent with the Applicable Standard.

8.5. **Operations Plan.** The "Operations Plan" shall comprise an annual budget and the

following elements, all consistent with the Applicable Standard:

8.5.1. A schedule of events for the Premises for the upcoming calendar year, including proposed practice times for NHL and PWHL teams to the extent known; recreational league play; and free skate time periods.

8.5.2. A report of Restaurant operations for the then current Lease Year and whether Lessee anticipates any substantial alterations or modifications to the Restaurant space or a change in the operator for the subsequent Lease Year.

8.5.3. A report of Lessee's activities and investments undertaken pursuant to Section 10.4 (Public Benefits) for the prior Lease Year and plan for the same that Lessee will undertake during the subsequent Lease Year.

8.6. **Facility Management Plan.** The "**Facility Management Plan**" shall comprise (a) the "**Maintenance Plan**"; and (b) the "**CapEx Work Plan**", as described below.

8.6.1. The Maintenance Plan shall include an annual plan for all (a) routine and regular provision of all labor, materials and other maintenance services and (b) non-capitalized repair, replacement and maintenance of the Premises, all consistent with the Applicable Standard.

8.6.2. The CapEx Work Plan shall include the following elements, all consistent with the Applicable Standard:

8.6.2.1. An accounting of annual and cumulative costs and expenses borne by Lessee for CapEx Work not reimbursed by the CapEx Fund;

8.6.2.2. An annual plan and budget for CapEx Work to be performed in the subsequent Lease Year and a rolling ten-year plan and budget for all CapEx Work to be performed within such ten-year period.

8.6.2.3. Such conceptual or schematic designs and other plans and information as Lessor may reasonably request. Lessee may submit the CapEx Work Plan without including such designs and plans if the same are not available when such plan is submitted, provided Lessee submits such designs and plans promptly upon their availability.

8.6.3. Plan Review Timeframes. Lessor shall have not less than sixty (60) days to review the Operations Plan and not less than sixty (60) days to review and approve the Facility Management Plan, and provided that Lessor shall have ninety (90) days to review and approve the Facility Management Plan when such plan has been submitted subsequent to completion of a new Facility Assessment pursuant to Section 8.6.7 (either period being the "**Plan Review Period**").

8.6.4. Lessor Approval Rights and Limitations .

8.6.4.1. The Operations Plan shall be subject only to Lessor's review and comment and shall not be subject to Lessor's approval, except that Section 8.5.3 shall be governed by Section 10.4 (Public Benefits). The Parties expect that input and consultation between the parties will occur informally and may continue on an ongoing basis. Lessee will give reasonable good faith consideration to any input received from Lessor in reviewing and carrying out the Operations Plan. If Lessor believes that any element of the Operations Plan will cause Lessee to fail to carry out its obligations in a manner consistent with the Applicable Standard, and if consultation between the Parties does not

resolve this concern, Lessor may submit the issue to the dispute resolution process set forth in Section 38.23.

8.6.4.2. The Facility Management Plan shall be subject to Lessor's review and approval, provided Lessor's approval right shall be limited to ascertaining whether the Facility Management Plan is consistent with and conforms to the Applicable Standard.

8.6.4.3. If Lessor does not approve or disapprove the Facility Management Plan within the Plan Review Period, the Facility Management Plan shall be deemed approved by Lessor.

8.6.4.4. If Lessor disapproves the Facility Management Plan, such disapproval shall be in writing and shall state with specificity the provisions that are inconsistent with the Applicable Standard and the changes needed to such plan to achieve compliance with the Applicable Standard in order to obtain City approval. Lessor shall have an additional thirty (30) days to review and approve such plan elements in any plan resubmitted by Lessee in response to an initial City disapproval.

8.6.4.5. If Lessee disputes Lessor's disapproval of all or any elements of the Facility Management Plan, it may submit such dispute to dispute resolution in accordance with the dispute resolution provisions set forth in Section 38, provided that the sole question presented to the Panel in such resolution process shall be whether Lessor unreasonably withheld its approval.

8.6.4.6. Any elements of the Facility Management Plan approved by Lessor that are not subject to dispute resolution shall take effect upon Lessor's approval thereof. The Facility Management Plan shall be amended to reflect changes agreed to by the Parties or determined to be necessary pursuant to any dispute resolution process.

8.6.5. Modifications and Deviations. If, subsequent to Lessor's review of the Operations Plan or its review and approval of the Facility Management Plan, Lessee believes materially modifying or deviating from any element of the Operations Plan or Facility Management Plan is necessary, Lessee will advise Lessor of such proposed material modification or deviation, as applicable, and Lessor will then have the same opportunity to review and comment (with respect to the Operations Plan) or to review and approve (with respect to the Facility Management Plan) such modification or deviation that it had with respect to the originally submitted Operations Plan and Facility Management Plan.

8.6.6. Security and Emergency Management Plan. Lessee shall maintain and shall regularly update a security and emergency management plan for the Premises, consistent with Applicable Law.

8.6.7. Facility Assessment Updates. Not later than the tenth (10th) Lease Year, nor later than every tenth Lease Year thereafter, Lessee shall initiate, and Lessee and City shall cooperate in commissioning, a Facility Assessment to update and inform the identification of CapEx Work necessary for the Facility to comply with the Applicable Standard. Lessee shall select a firm to conduct the Facility Assessment that is expert in the design, construction, economics and operations of similar facilities, subject to Lessor's reasonable approval. The cost of such Facility Assessment shall be borne by the Parties equally. The Facility Assessment shall be commissioned with the intent that it may be the basis for recommendations regarding Lessee's CapEx Work Plan, but shall not limit Lessee's obligations hereunder.

8.7. Parking and Access to Community Center.

8.7.1. Access. Lessor, its employees, directors, agents, independent contractors,

representatives and invitees shall have such access to the Community Center via the Facility's lobby as is reasonably necessary and appropriate for use of the Community Center by community members. Lessee's security system and parking plan shall be administered so as not to unreasonably interfere with ingress to and egress from the Community Center by community members. Lessee may place reasonable limitations on access and movement in areas of the Facility other than the Community Center during events or as otherwise necessary for Lessee operations.

8.7.2. No Rent. Lessor shall not be required to pay Lessee any rental fee for Lessor's use of, or access to, the Community Center, parking spaces and any public meeting space in the Facility. Lessor shall not be required to pay or reimburse Lessee for any operating costs incurred by Lessee with respect to electricity, heating, air conditioning, water, sewer use, or ordinary security requirements resulting from Lessor's use of the Community Center and any public meeting space in the Facility, except to the extent that any of electric, water or gas utilities are not separately metered.

8.7.3. Parking. Lessor reserves the right to charge for parking in the adjacent Lessor-operated Parking Area outside of the Premises. Lessor will not implement paid parking before the end of the local hockey season in the spring of 2029. Lessor will not charge a higher "per hour" rate for parking at the Community Center than the highest amount Lessor charges for parking at any of the Lessor's waterfront parks (which currently, in 2025, is \$1/hour). Lessor may charge a special event parking fee for any event where the entire Facility is being used by Lessor for Lessor purposes. Lessor and Lessee may charge a special event parking fee by mutual written agreement, with Lessor providing Lessee with fifty percent (50%) of the revenue from such special event parking fees, unless a different apportionment is otherwise agreed by the parties. Lessor will be responsible for operating, maintaining, and repairing the Parking Area outside the Premises. In the Parking Area, Lessor will provide a minimum of twenty-five (25) spaces primarily dedicated to staff parking for staff of the Community Center, Skating Facility, and Restaurant. Lessee and Lessor will work in good faith to coordinate available parking when either Party is hosting a special event with an expected attendance of 200 individuals or more. If Lessor anticipates hosting an event at the Community Center with an expected attendance of 100 individuals or more, the City will provide Lessee with thirty (30) days' notice to coordinate available parking and mitigate traffic impacts; provided that in the event Lessor is unable to provide such thirty (30) day notice due to a City-sponsored event occurring in less than thirty (30) days from scheduling of the event, Lessor will provide Lessee with such advance notice as is reasonably possible under the circumstances.

9. Net Lease; No Counterclaim or Abatement

9.1. **Net Lease**. The Rent due hereunder shall be absolutely net to Lessor and shall be paid without assertion of any counterclaim, offset, deduction or defense and without abatement, suspension, deferment or reduction. Lessor shall not be expected or required under any circumstances or conditions whatsoever, whether now existing or hereafter arising, and whether now known or unknown to the parties, to make any payment of any kind whatsoever with respect to the Premises or be under any obligation or liability hereunder, except if and solely to the extent expressly so provided elsewhere in this Lease.

9.2. **Operating Expenses**. Lessee shall pay, or if not paid directly fund when due all Operating Expenses. To the extent feasible, Lessee shall pay all Operating Expenses directly, and shall contract directly for all required services, utilities and other items described herein; provided, however, that Lessor shall, following thirty (30) days prior written notice to Lessee of such default, and Lessee's failure to correct such default within the 30-day period, have the right to contract for any such services, utilities or other items if Lessee has failed to do so, or has failed to make any payment of Operating Expenses which is due and owing. Lessee shall provide Lessor, upon written request, with copies of invoices, receipts, canceled checks and/or other documentation reasonably substantiating Lessee's payment of all Operating Expenses. Lessor shall be responsible for all costs for utilities, services, maintenance, repair, replacement, marketing,

insurance, employment, or other costs of any type whatsoever accruing at any time during the Term in connection with the operation, management, maintenance, repair, replacement, restoration, use, occupancy or enjoyment of the Community Center pursuant to the Community Center Sublease (as defined in the Agreement to Lease). Notwithstanding the foregoing, Lessor and Lessee shall share equitably in the cost of the repair and maintenance of any item or space shared jointly by Lessee and Lessor such as the elevators.

9.3. **Expenses of Lessor.** Lessee shall pay to Lessor, within ten (10) days after the date of mailing or personal delivery of statements for the following: (a) all reasonable costs and expenses, including attorneys' fees, paid or incurred by Lessor: (i) required to be paid by Lessee pursuant to this Lease (including without limitation pursuant to any indemnity provision), (ii) in enforcing any of Lessee's covenants or obligations in this Lease following an Event of Default, (iii) in protecting Lessor against or remedying any default of this Lease by Lessee, (iv) in recovering possession of the Premises or any part of the Premises after an Event of Default, (v) in collecting or causing to be paid to third parties any amounts payable by Lessee under this Lease, within thirty (30) days of receiving notice of the amount that is then due and unpaid, (vi) in connection with any estoppel requested by Lessee, or (vii) in connection with any litigation (other than condemnation proceedings) commenced by or against Lessee to which Lessor shall without fault be made a party (unless defended by Lessee at Lessee's cost); and (b) Lessor's Administrative Fees as otherwise provided in this Lease. All such costs, expenses and fees shall constitute additional rent. Lessee's obligations under this Section 8.3 shall survive the expiration or earlier termination of the Term.

9.4. **No Release.** Except as otherwise expressly provided herein, this Lease shall continue in full force and effect, and the obligations of Lessee hereunder shall not be released, discharged or otherwise affected, by reason of (unless otherwise provided to the contrary contained in this Lease): (a) any damage to or destruction of the Premises or any portion thereof or any Improvements thereon, or any Condemnation; (b) any restriction or prevention of or interference with any use of the Premises or the Improvements or any part thereof; (c) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other proceeding relating to Lessor, Lessee or any constituent partner of Lessee or any Subtenant, licensee or concessionaire or any action taken with respect to this Lease by any trustee or receiver, or by any court, in any proceeding; (d) any claim that Lessee or any other person has or might have against Lessor; (e) any failure on the part of Lessor to perform or comply with any of the terms hereof or of any other agreement with Lessee or any other person; (f) any failure on the part of any Subtenant, licensee, concessionaire, or other person to perform or comply with any of the terms of any sublease or other agreement between Lessee and any such person; and (g) any termination of any sublease, license or concession, whether voluntary or by operation of law.

9.5. **Independent Covenants.** The obligations of Lessee under this Lease shall be separate and independent covenants, and each covenant of Lessee shall be both a covenant and a condition. Except to the extent expressly provided elsewhere in this Lease, Lessee hereby waives, to the maximum extent permitted by Applicable Laws, any rights that it may now or in the future have to quit or surrender the Premises, to terminate this Lease, or to any abatement, deferment, diminution, reduction or suspension of Rent on account of any event or circumstance, including without limitation any rights it might otherwise have under the provisions of Applicable Laws.

10. **Use And Operation of Premises**

10.1. **Permitted Use.** Subject to all provisions and limitations contained herein, the Premises and all Improvements at any time located thereon shall at all times during the Term be used and operated only for the purposes stated in Section 1 and in this Section 10, and for no other purpose. Lessee acknowledges that the foregoing covenant is a material consideration for Lessor's agreement to enter into this Lease. Any violation of said covenant shall constitute a material breach of this Lease and entitle Lessor to exercise any and all of its rights and remedies under this Lease or otherwise at law or in equity.

10.2. **Prohibited Uses.** Without limiting the foregoing or any other provision of this Lease, Lessee shall not do any act, or allow any Subtenant or other user of the Premises to do any act, and in no event shall the Premises be used: (a) for any purpose that in any manner causes, creates, or results in a nuisance or waste; (b) for any purpose that is of a nature to involve substantial hazard (and the parties agree that ice-skating, ice-hockey, and other ice sports are not deemed to be a substantial hazard); (c) for any purpose that would or could invalidate or be in conflict with the provisions of any fire or other insurance policies covering the Premises; (d) for any purpose that involves any Release of Hazardous Substances; or (e) for any purpose that violates any Applicable Law or any covenant, condition, agreement or easement applicable to the Premises. Lessee shall not do anything, or permit anything to be done, in or about the Premises that would: (i) invalidate or be in conflict with the provisions of any fire or other insurance policies covering the Premises or any property located therein; or (ii) result in a refusal by insurance companies of good standing.

10.3. **Impacts on Neighboring Property.** Lessee shall design, Develop, maintain and manage the Premises so as to avoid any material negative impact on (i) the other properties in the vicinity of the Premises that are owned by Lessor or (ii) any wetlands in the vicinity of the Premises.

10.4. **Public Benefits.**

10.4.1. Community Use and Involvement. Lessee agrees to establish (a) in Kirkland and the Eastside community promotion and charitable services and community participation in a manner reasonably consistent with Lessee's past practice at the Kraken Community Iceplex through the One Roof Foundation, or similar organization; and (b) generally support the City of Kirkland's civic activities, civic events and community service organizations, all in a manner consistent within Lessee's management of Facility operations (together with the items referenced in Section 10.4.3, the "**Public Benefits**"). Lessee's obligations with respect to community use and involvement under this Lease may be fulfilled directly or indirectly, including through affiliates, and shall at all times be conducted within Lessee's overall reasonable budgetary, economic and operating constraints, generally in accordance with past practice.

10.4.2. Reasonable Affordability. Lessee shall provide the following:

10.4.2.1. Discounted rates to disadvantaged groups including uniforms and equipment necessary to participate in programs provided at the Facility.

10.4.2.2. Lessee shall provide no less than two (2) hours of free open skate ice rink access per month to any Kirkland resident showing proof of residency, subject to rink capacity.

10.4.2.3. Lessee will make commercially reasonable efforts to partner with local businesses (defined as businesses within the City of Kirkland) during the Term, including, without limitation, hotels and restaurants.

10.4.3. Community Based Benefits. Lessee, either directly or in partnership with the One Roof Foundation or an equivalent organization, will provide, in a manner and extent reasonably consistent with Lessee's practice through the One Roof Foundation but designed to meet identified needs in the Kirkland community, community promotion and charitable services based on the One Roof Foundation's three pillars: youth homelessness, environmental justice, and access to play for disadvantaged communities.

10.4.4. Non-Discrimination. Without limiting Lessee's general obligation to comply with Applicable Law, for the duration of the Term, Lessee, and all parties subcontracting under the authority of Lessee, shall comply with all applicable equal employment opportunity and nondiscrimination laws of the United States, the State of Washington, King County, and City of Kirkland.

10.4.5. Women and Minority-Owned Business Enterprises Inclusion. Lessee shall ensure open and fair opportunities for minority and women owned businesses (“**WMBE(s)**”) to obtain, or compete for contracts and subcontracts as sources of supplies, equipment, construction and services, to provide the maximum practicable opportunity for increased participation by WMBE(s) in CapEx Work. Lessee shall establish WMBE goals for CapEx Work undertaken during the Term that are generally consistent with then current City of Kirkland goals for its own major capital improvement facilities.

10.4.6. Women and Minority-Owned Business Enterprises. Lessee shall require its CapEx Work contractors of every tier to make affirmative efforts to solicit and contract with WMBEs on subcontracting and supply opportunities, including requiring its contractors to agree to such efforts through the submission of contractor WMBE inclusion plans, and to make a good faith effort to achieve each goal under the plan, as a material condition of such contracts.

10.4.7. Compliance. Lessee shall require that CapEx Work contractors make good faith efforts to ensure that goals for the participation of WMBEs are met.

11. **Leasehold Improvements; Construction of Alterations**

11.1. **Leasehold Improvements.** As material consideration for this Lease, Lessee has agreed to undertake, at its sole cost and expense, the Development of the Project pursuant to the approved plans and specifications for the Project (the “**Project Plans**”), the related documents set forth in Exhibit B attached hereto (“**Project Documents**”) and in accordance with the terms and conditions of this Lease and the Agreement to Lease (collectively, “**Leasehold Improvements**”). The Development of the Leasehold Improvements and other Buildings shall be referred to as the “**Project**”. The Leasehold Improvements shall not include any paving or repair of the north parking lot on the Land.

11.1.1. Lessor acknowledges that the Project Plans and Project Documents have been approved by Lessor as of the Commencement Date. Except as provided in Section 11.2.1, in the event Lessee desires to make any material changes to Project Plans or the Project Documents that impact the Community Center previously approved by Lessor, Lessee shall submit such revised Project Plans and Project Documents to Lessor, upon which any changes shall be indicated, for Lessor’s prior written approval. Lessor shall notify Lessee of its rejection of any material revisions to the Project Plans and/or Project Documents within ten (10) Business Days after receiving Lessee’s written submission (along with one (1) electronic submission). In the event Lessor has not given written notice rejecting such revisions to the Project Plans and/or Project Documents within ten (10) Business Days of submission, (including the reasoning for such rejection) such revisions to the Project Plans and/or Project Documents shall be deemed to have been approved by Lessor. Lessor shall not unreasonably withhold, condition or delay its approval of such revised Project Plans and/or Project Documents if they do not deviate in any material way from approved Schematic Design Documents (as defined in the Agreement to Lease). If Lessor rejects any aspect of Lessee’s proposed revisions, Lessee shall make whatever changes are reasonably necessary to address the rejected item and shall resubmit it for Lessor’s written approval. Lessee shall not proceed with the rejected item, or any item affected by the rejected item, until Lessor has approved Lessee’s changes.

11.1.2. Lessor shall designate from time to time the persons and/or staff positions of Lessor who are authorized under this Agreement to provide consents and approvals on behalf of Lessor and to whom documents are to be submitted by Lessee for Lessor’s approval (“**Lessor’s Authorized Representative**”). As of the Commencement Date, Lessor designates Jen Davis-Hayes as Lessor’s Authorized Representative. Lessor shall designate the person who will represent Lessor in day-to-day communication with Lessee, and who will coordinate activities for Lessor (“**Lessor’s Project Manager**”). Lessor may, from time to time, change Lessor’s Authorized Representative and/or Lessor’s Project

Manager by providing notice to Lessee. As of the Commencement Date, Lessor designates Anneke Davis as Lessor's Project Manager. During the Development of the Project Lessor's Authorized Representative and Lessor's Project Manager shall be invited to participate in monthly progress meetings with Lessee's Project Development Team.

11.1.3. Design Team and Project Development Team. Lessor has approved and Lessee has previously retained the architects, engineers and related consultants identified in Exhibit C attached hereto in connection with the preparation of preliminary conceptual documents (the "**Design Team**"). Lessee shall not substitute any member identified as part of the Design Team without the prior written consent of Lessor, such consent not to be unreasonably withheld, delayed or conditioned; provided that Lessee submits sufficiently detailed information about the proposed substitute member concurrently with the request for approval. Lessee shall obtain Lessor's prior written approval (not to be unreasonably withheld or delayed) of the architect, landscape architect, structural engineer, contractor, and other major consultants and subcontractors necessary or desirable for the design, permitting and Development of the Project (the "**Project Development Team**"). Further, the general contractor shall be capable of being bonded, licensed in the State of Washington, and shall have experience in completing construction comparable to the Project in accordance with the Construction Documents. No approval by Lessor of the Design Team, the Project Development Team and/or Project Documents shall be deemed a warranty or other representation on Lessor's part that any such Project Document is accurate or correct, or that the Design Team or Project Development Team is qualified or appropriate.

11.1.4. Commencement of Construction. Lessee shall cause Construction Commencement to occur within fifteen (15) Business Days following the Commencement Date, subject to extensions agreed to by Lessor and Lessee, and subject to Unavoidable Delay ("**Outside Construction Commencement Date**"). Notwithstanding the foregoing, prior to commencement of any demolition or construction work on the Leasehold Improvements, Lessee shall have obtained all necessary permits and governmental approvals necessary to commence construction of the Project.

11.1.5. Failure to Commence Construction. In the event Lessee fails to cause Construction Commencement to occur prior to the Outside Construction Commencement Date, and if such failure is not cured within a period of sixty (60) days after written notice from Lessor to Lessee of Lessor's intention to exercise its rights to terminate this Lease due to such failure, then Lessor shall have the right to terminate this Lease following expiration of such 60-day period upon written notice to Lessee. If Lessor terminates this Lease under this Section 11.1.5 then (1) Lessee shall take all actions necessary to deliver and assign to Lessor the Lessee Materials, the Construction Documents and the Construction Contract, in accordance with Section 6.3 of the Agreement to Lease, and (2) this Lease shall be of no further force or effect. An Unavoidable Delay shall extend the deadlines Construction Commencement on a day-for-day basis up to ninety (90) days. Notwithstanding the foregoing, if Lessee in fact caused Construction Commencement prior to the date Lessor actually issues a notice of termination following expiration of such 60-day period, then such notice of termination shall be ineffective and this Lease shall remain in full force and effect. Further, the provisions of this subsection 11.1.5 shall be subject to the notice, cure and other rights of a Leasehold Mortgagee under Section 24 below, including the rights of a Leasehold Mortgagee to cure the failure and/or to cause commencement of construction to occur.

11.1.6. Substantial Completion. Lessee shall achieve Substantial Completion of the Project in accordance with the approved Project Plans no later than October 1, 2027 ("**Target Substantial Completion Date**"), which date may be extended for Unavoidable Delay; provided that such Target Substantial Completion Date shall not be extended due to Unavoidable Delay by more than twelve (12) months. Provided, however, if Lessee fails to achieve Substantial Completion of the Project prior to the last day of the thirty (30th) month after Commencement Date, Lessor shall have the right to terminate this Lease upon written notice to Lessee, in which case Lessee shall take all actions necessary to deliver and assign to

Lessor the Lessee Materials, the Construction Documents and the Construction Contract. Notwithstanding the foregoing, the provisions of this subsection 11.1.6 shall be subject to the notice, cure and other rights of a Leasehold Mortgagee under Section 24 below, including the rights of a Leasehold Mortgagee to cure the failure and/or to cause Substantial Completion to occur.

11.1.7. Ownership of Lessee Materials. If this Lease terminates pursuant to this Section 11.1, Lessee shall deliver to Lessor all studies, site plans, reports, surveys, permits, Design Development Documents, Construction Documents, permits, entitlements, and other documents relating to the Premises and the Project that were prepared by or on behalf of Lessee in connection with Lessee's due diligence investigation, as well as all Project Documents prepared in connection with the Project (collectively, "**Lessee Materials**"), to the extent owned by Lessee, together with a bill of sale for Lessee's interest in such Lessee Materials, but with neither warranty nor recourse to Lessee for losses and liabilities resulting from defective Lessee Materials, which Lessee Materials shall thereupon be the sole property of Lessor. Without limiting the foregoing, Lessee further agrees that, in the event this Lease terminates pursuant to this Section 11.1, Lessor may thereafter proceed with Development of the Project in a manner and with a site plan which is the same or substantially similar to that contemplated by Lessee.

11.1.8. Lease Guaranty. In connection with the Agreement to Lease, TeamCo and Slapshot LLC shall enter into a guaranty in favor of Lessor in the form attached hereto as Exhibit D ("**Guaranty**").

11.1.9. Records Retention and Audit Right. Lessee shall keep all records generated in connection with the Project for six (6) years after Substantial Completion of the Project. Lessor reserves the right to audit such records and Lessee shall make such records available for Lessor's review upon receipt of written request therefor.

11.2. **General Requirements for Project Alterations to the Community Center.**

11.2.1. Approval Threshold. Following Substantial Completion of the Project, Lessee shall have the right to construct and to make the following Alterations that impact the Community Center without Lessor's prior written consent: Alterations that (i) are reasonably expected to cost less than \$500,000.00 (increased during the Term by five percent (5%) on every five (5) year anniversary of the Commencement Date); (ii) relate in whole or in part to any Lessee Environmental Activity; (iii) do not affect the structural integrity of the Premises or any part thereof (including the foundation); (iv) do not affect the exterior appearance of the Premises; and (v) do not require a change of use, an environmental impact statement (or its equivalent), or any application to a political jurisdiction for rezoning, comprehensive plan amendment, design review board or other discretionary approval (but not merely a building permit or other "Type I" approval) ("**Permitted Alterations**"). Alterations to the Community Center other than Permitted Alterations shall be subject to Lessor's prior written approval in accordance with this Section 11. Lessee shall have the right to make additional improvements, alterations, remodeling, or reconstruction of or to the Leasehold Improvements that do not impact the Community Center.

11.2.2. Interior Alterations. Notwithstanding the foregoing, item (i) of subparagraph 11.2.1 of this Section 11.2 shall not apply to, and Alterations shall expressly exclude, interior, non-structural alterations to the Premises and Lessor's prior written approval of any interior, non-structural alterations shall only be required if such alterations would otherwise require approval under items (ii) through (v) of subparagraph 11.2.1. Further, if any Alterations include some features or elements that require Lessor approval under this Lease and other features or elements that do not require Lessor approval under this Lease, only those features or elements that require Lessor approval shall be required to be submitted to Lessor for such approval.

11.2.3. Other Provisions. The Project and all Alterations, whether or not subject to Lessor's prior written approval, shall be subject to the provisions of Section 11.6.

11.2.4. **Alteration Approval Process.** In each instance in which Lessor's prior written approval of an Alteration is required, the following approval process shall apply:

11.2.4.1. Such approval shall not be unreasonably withheld, conditioned or delayed. Lessee shall provide Lessor with fifteen (15) Business Days prior written notice that Lessee intends to make a submission for Lessor's approval. Lessor shall use commercially reasonable efforts to respond to any request for approval within fifteen (15) Business Days after receiving Lessee's written request for such approval, along with any required accompanying plans, specifications, data or other information. In the event Lessor fails to respond within such fifteen (15) Business Day period, Lessee may deliver to Lessor a written second request for approval, labeled as such. If Lessor fails to respond to the second request for approval within five (5) Business Days after receipt of the second request, Lessor's failure to respond shall be deemed approval of the applicable request for approval. Upon reasonable advance notice, during Lessor's review period, Lessee agrees to meet with Lessor's designated representative(s) to review such request for approval (and if requested by Lessee and upon reasonable advance notice, Lessor agrees during Lessor's review period to meet directly with Lessee and its consultants regarding the request for approval and to review any applicable plans).

11.2.4.2. In the event Lessor disapproves any submitted plan, specifications or other request for approval, Lessor shall provide reasonable written detail to Lessee regarding the reasons for such disapproval, and Lessee shall have an additional fifteen (15) Business Days to revise the plans, specifications and/or request to reflect Lessor's requested changes. Lessee shall then resubmit the plans, specifications and/or request to Lessor, and Lessor shall advise Lessee within five (5) Business Days whether the revised plans, specifications or request is approved (and failure of Lessor to disapprove in writing within such five (5) Business Day period shall constitute Lessor's approval of such revised plans, specifications or request).

11.3. **Permits and Approvals.** Lessee shall be solely responsible for obtaining, at its sole cost and expense, the approval of the Lessor, as the permitting agency, and the approval of any other governmental agencies with jurisdiction over the Premises for any building, electrical and plumbing permits, environmental impact analysis and mitigations imposed thereby, or other governmental action necessary to permit the Development, construction and operation of any Alterations in accordance with this Lease. Lessor shall cooperate with Lessee in Lessee's efforts to obtain all permits and approvals and Lessor will assist in expediting the approval process by the permitting agency. Lessee shall apply for and prosecute any required governmental review processes for any discretionary approvals, comprehensive plan amendment, rezoning, variance or use permit only with the written approval of Lessor, such approval not to be unreasonably withheld, delayed or conditioned, and Lessee shall not submit any (i) environmental impact statement, addendum, checklist, or (ii) other State Environmental Policy Act document, or any consultant's report containing information regarding Lessor, Lessor's lands or Lessor's tenants to any public agency without Lessor's prior written approval, which Lessor may withhold in its sole discretion with respect to items in subparagraphs (i) and (ii) above. Lessee shall be solely responsible for compliance with all permits, conditions, and fees related to any Alterations.

11.4. **Design of Alterations.** The following provisions shall apply to all Alterations requiring Lessor's approval pursuant to Section 11.2:

11.4.1. The design of all such Alterations, including without limitation, the site plan, structural plans, landscaping plan, materials, colors and elevations shall be subject to Lessor's prior written approval.

11.4.2. Prior to formal submittal to Lessor, as the permitting agency, Lessee shall submit to Lessor, for Lessor's review, two (2) duplicate hard copy sets and one (1) electronic version of all design

drawings for the proposed work of construction, whether or not they are required by Lessor, as the permitting agency, to commence the application for governmental design approval. The design drawings shall be subject to Lessor's prior written approval. Lessee shall not apply for any governmental approvals until after obtaining Lessor's prior written approval of the design drawings.

11.4.3. Lessee acknowledges that Lessor may be obligated to meet and consult with certain committees and other persons within Lessor's organization. Lessee shall provide Lessor with such information and materials as Lessor reasonably may request, attend committee and other meetings with Lessor and other persons associated with Lessor, and take such other actions at Lessee's sole cost and expense as Lessor deems reasonably necessary to satisfy the requirements of such committees and other persons within Lessor's organization, and to otherwise respond to Lessee's request for approval of the proposed Alterations.

11.4.4. Prior to finalizing any construction documents that differ in any material respect from any design or other construction documents previously approved by Lessor, Lessee shall submit to Lessor for Lessor's prior written approval one (1) electronic set of such documents, upon which any changes shall be indicated.

11.4.5. Prior to entering into a contract with any design architect, landscape architect or general contractor for any Alterations requiring Lessor's approval, Lessee shall obtain Lessor's prior written approval of the identity of each such design architect, or general contractor (unless previously approved by Lessor in connection with work previously done at the Premises within the preceding five (5) years). Upon execution, Lessee shall furnish to Lessor a true copy of Lessee's contracts with the architect and general contractor. Each such contract shall contain provisions reasonably acceptable to Lessor that permit the contract to be assumed by Lessor or its designee, at Lessor's sole discretion, following a termination of this Lease or in the event of an Event of Default by Lessee under this Lease. Any such assumption shall be on the same terms and conditions (including fees and prices) as set forth in the contract.

11.4.6. The provisions of this Section 11.4 shall apply to any material change in the design elements of the Alterations that are subject to Lessor's prior written approval and that have been approved by Lessor, and to any deviations in the actual construction of the Alterations from such approved design elements.

11.5. Prerequisites to Commencement of Construction. In addition to all other requirements set forth in this Section, before commencing the construction of the Project and any Alterations (whether or not requiring Lessor's approval), and before any building materials have been delivered to the Premises by Lessee or under Lessee's authority, Lessee shall:

11.5.1. Furnish Lessor with a true copy of Lessee's contract with the general contractor and all permits and approvals required to commence construction.

11.5.2. Deliver to Lessor true copies of all documents evidencing the commitment of construction financing for any new construction, or evidence satisfactory to Lessor regarding other arrangements to provide for payment for work undertaken by Lessee.

11.5.3. Procure and/or cause Lessee's contractor to procure and keep in force during the course of construction the insurance coverage described below, subject to reasonable deductibles, and provide Lessor with certificates of such insurance in form satisfactory to Lessor. All such insurance shall comply with the requirements of this Section 11 and of Section 19.

11.5.3.1. During the course of construction, to the extent not covered by

property insurance maintained by Lessee pursuant to Section 19, and for construction projects in excess of \$1,000,000, builder's risk property insurance on an "all risk" basis insuring against the perils of, fire and extended coverage, and physical loss or damage, including theft, vandalism and malicious mischief, collapse, false work, temporary buildings, and debris removal, including demolition resulting from the enforcement of any Applicable Laws, in the amount of the construction contract price, including all change orders, on a replacement cost basis until completion. The policy will cover the Project or any Alterations in place on the Premises, all materials and equipment stored at the Premises and furnished under contract, and all materials and equipment that are in the process of fabrication at the premises of any third party or that have been placed in due course of transit to the Premises when such fabrication or transit is at the risk of, or when title to or an insurable interest in such materials or equipment has passed to, Lessee or its construction manager, contractors or subcontractors (excluding any contractors', subcontractors' and construction managers' tools and equipment, and property owned by the employees of the construction manager, any contractor or any subcontractor.

11.5.3.2. Commercial general liability, and if necessary, umbrella liability insurance for the construction project, which insurance may be effected by the policy required to be carried pursuant to Section 19. The policy will cover bodily injury and property damage, including but not limited to coverage for premises/operations, products/completed operations, elevators, contractual, personal and advertising, injury, and independent contractors. The policy will be written on an occurrence basis and in an amount not less than the amount at the time maintained by prudent Lessors of comparable construction projects in King County and reasonably satisfactory to Lessor, but in any event not less than \$25,000,000 in the aggregate. Lessor and the Lessor Parties shall be named as additional insureds, as their interest may appear. Any general aggregate shall apply per project. The policy shall contain a cross-liability clause or separation of insureds provision and an endorsement deleting the property damage exclusion as to explosion, underground, and collapse hazards.

11.5.3.3. Automobile and, if necessary, umbrella liability insurance including coverage for owned, non-owned, leased or hired vehicles, written on an insurance industry standard form or equivalent, with limits of not less than \$5,000,000 each accident.

11.5.3.4. Worker's compensation insurance for all workers engaged in the construction project, in the amounts and coverages required under workers' compensation, disability and similar employee benefit laws applicable to the Premises,

11.5.3.5. Employer's liability Insurance with limits not less than \$5,000,000 each accident or each employee for bodily injury by disease, or such higher amounts as may be required by law.

11.6. General Construction Requirements.

11.6.1. Costs. All construction and other work in connection with the Project and any Alterations shall be the responsibility of the Lessee, and shall be done at Lessee's sole cost and expense and in a prudent and first-class manner and with materials per the approved plans and specifications for the Project. Throughout the construction of the Project and through the Final Completion of the same, Lessee shall provide Lessor with written progress reports as to the progress of construction and costs incurred related to the same, which reports shall be on a monthly basis.

11.6.2. Compliance. Lessee shall construct the Project and all Alterations in accordance with (i) all Applicable Laws, (ii) the approved Project Plans, and (iii) plans and specifications that are in accordance with the provisions of this Section 11 and all other applicable provisions of this Lease.

11.6.3. Safety. Lessee shall take all customary and necessary safety precautions during any construction.

11.6.4. As-Builts. Lessee shall prepare and maintain (and or require the general contractor to prepare and maintain) in accordance with normal construction practices (i) on a current basis during construction, annotated plans and specifications showing clearly all changes, revisions and substitutions during construction, and (ii) upon completion of construction, record drawings ("as-builts") showing clearly all changes, revisions and substitutions during construction, including, without limitation, field changes and the final location of all mechanical equipment, utility lines, ducts, outlets, structural members, walls, partitions and other significant features of the Project and any Alterations. These as-built drawings and annotated plans and specifications shall be kept at the Premises and Lessee shall update them as often as necessary to keep them current. Lessee shall also make a copy of the as-built drawings and annotated plans and specifications at its sole cost and deliver electronic copies of the same to Lessor within sixty (60) days after the Project or the applicable Alterations have been substantially completed.

11.6.5. Completion Bonds. For the Project and for any Alterations costing more than \$10,000,000 (increased during the Term by five percent (5%) on every five (5) year anniversary of the Commencement Date), Lessee shall deposit with Lessor certificates or other satisfactory evidence that the general contractor has procured one or more bonds for a total amount not less than one hundred percent (100%) of the total cost of construction (including the correction of any design or construction defects), in form and content and with a surety or sureties satisfactory to Lessor, guaranteeing the full and faithful performance of the construction contract for such construction free and clear of all mechanics' and materialmen's liens and the full payment of all subcontractors, labor and materialmen, including without restricting the generality of the foregoing, all architects and interior designers, except that with respect to architects and interior designers, no such bond shall be required if Lessee delivers to Lessor a waiver of lien from such architect or interior designer. Any such bonds may also run to the benefit of any Leasehold Mortgagee, and the benefits of such bonds may be extended to Lessor and Leasehold Mortgagees via dual obligee riders or other method then customary to provide such added protection.

11.6.6. Apprenticeship. Lessee is encouraged to hire, and to cause its contractors to hire, apprentices where feasible as part of the construction of the Project or any Alterations.

11.7. **Construction Completion Procedures**. Upon completion of any construction, Lessee shall deliver to Lessor evidence reasonably satisfactory to Lessor of the payment of all costs, expenses, liabilities and liens arising out of or in any way connected with such construction (except for Liens that are contested in the manner provided in Section 16).

11.8. **On Site Inspection**. Lessor shall be entitled to have (at its option) on site, at all times during the construction of the Project and any Alterations requiring Lessor's approval and at Lessor's sole cost and expense, an inspector or representative who shall be entitled to observe all aspects of the construction. Lessor's inspection and observation shall in no way interfere with Lessee's and Lessee's Agents and contractor's work and construction of the Project and any Alterations. No inspection performed or not performed by Lessor hereunder shall (a) give, or be deemed to give, Lessor any responsibility or liability for the Project or any Alterations, or the design or construction thereof; (b) constitute, or be deemed to constitute, approval or acceptance of, any aspect of the design or construction of the Project or any Alterations; or (c) constitute or be deemed to constitute a waiver of any of Lessee's obligations hereunder.

11.9. **Restoration**. If this Lease expires or is terminated prior to the completion of construction of any Alterations, Lessee shall complete such construction of Alterations.

11.10. **Construction Costs**. During construction of the Improvements, Lessee shall provide

Lessor with (A) copies of all construction contracts entered into by Lessee in connection with construction of the Project; and (B) on a monthly basis, such reports and statements, including without limitation, copies of all materials submitted to Lessee's construction lender, if any, relating to construction draws, as may be reasonably requested by Lessor which establishes Lessee's cost of construction ("**Cost of Construction**").

11.10.1. Cost of Construction. It is the intent of the parties that the cost of construction shall be equal to Lessee's out of pocket cost and expense associated with the construction of the Improvements; provided that notwithstanding anything to the contrary contained herein, in no event shall the Cost of Construction exceed \$65,000,000.00. Accordingly, the "Cost of Construction" shall mean the total costs, as evidenced by executed construction and/or architectural contracts with one or more general contractors or architects, of the cost of construction and design of the Project in accordance with the approved Project Plans, including, without limitation, the cost of building materials, supplies and improvements, infrastructure, labor and services; design; permits and other governmental approvals; general and subcontractor contracts, including, but not limited to, general contractor expenses associated with management, administration, overhead and profit; taxes paid or incurred; demolition; bid preparation and administration; equipment and other rental expenses; temporary sanitation and site preparation; temporary weather protection; temporary structures; project safety; safety equipment; progress cleanup; barricades and temporary fences; temporary signage; field office equipment, supplies, and all other infrastructure, improvements, work or services attributable to the Project, all as set forth in the approved Project Plans. "Cost of Construction" shall also include any construction management fee, which shall be for the management and administration of the Project. Notwithstanding anything to the contrary contained herein, "Cost of Construction" shall not include the Excluded Costs (as defined below). For the purposes of this Agreement, the term "**Excluded Costs**" shall mean any costs or expenses attributable or relating to:

- A. Unused hard and soft cost contingency;
- B. Lessee's financing costs and expenses, including interest;
- C. Real estate or leasehold excise taxes; and
- D. Legal, accounting, insurance counseling, or auditing services.

11.10.2 Right to Audit. Lessor shall have the right to audit and make copies of the books, records and computations pertaining to the Cost of Construction. Lessee shall retain such books, records, documents and other evidence pertaining to the Cost of Construction for a period of three (3) years following the Facility Completion Date, except if an audit is in progress or audit findings are yet unresolved, in which case records shall be kept until all audit tasks are completed and resolved. These books, records, documents and other evidence shall be available to Lessor, within ten (10) Business Days of Lessor's written request. Further, Lessee shall also require all subcontractors, material suppliers, and other payees to retain all books, records, documents and other evidence pertaining to the Cost of Construction, and to allow Lessor similar access to those documents with prior written notice. The cost of the audit will be borne by Lessor.

12. **Improvements And Alterations**

During the Term, title to all Improvements and personal property now or hereafter located on the Land, including those to be constructed in accordance with the Project Plans, shall be vested in Lessee until either the date when the Improvements are conveyed to Lessor following Lessor's exercise of the Option to Purchase, or until the Expiration Date. Notwithstanding the foregoing, the ownership and disposition of all personal property, trade fixtures and improvements installed by any Subtenants of the Premises shall be as provided in their subleases.

Lessee's leasehold interest in the Premises and interest in the Improvements shall not be conveyed, transferred or assigned, except as permitted under Sections 22 and 24. Any attempted conveyance, transfer

or assignment of Lessee's leasehold interest in the Land or ownership interest in the Improvements, whether voluntarily or by operation of law or otherwise, to any person, corporation or other entity shall be void and of no effect whatever, except as permitted under Sections 22 and 24. Notwithstanding the foregoing, Lessee may from time to time replace the Leasehold Improvements and any Alterations, provided that the replacements for such items are of equivalent or better value and quality, and such items are free from any liens and encumbrances except for equipment leases and any other financings expressly permitted hereunder.

13. Operation, Maintenance and Repairs

13.1. Maintenance, Repairs and Operation. Lessee agrees to operate the Buildings and Premises as a first-class building consistent with comparable projects in the region, including without limitation, the Kraken Community Iceplex, and taking into consideration normal wear and tear and the age, size and style of the Improvements and Premises. During the Term, except as set forth in the Community Center Sublease, Lessee shall, at its own cost and expense and without any cost or expense to Lessor, keep and maintain the Premises and all Improvements and appurtenant facilities, including without limitation the structural components, roof, fixtures, and building systems of the Improvements, grounds, groundwater, stormwater facilities, detention ponds, wetlands, soil, sidewalks, open space, parking and landscaped areas, in a first class condition. Lessee shall promptly make all repairs, replacements and alterations (whether structural or nonstructural, foreseen or unforeseen, or ordinary or extraordinary) necessary to maintain the Premises and the Improvements in a first-class condition and in compliance with all Applicable Laws and to avoid any structural damage or injury to the Premises, the Improvements, or any persons in or around the Premises. Lessee shall be responsible for maintaining all landscaping in a first-class standard and maintaining all sidewalks and parking lots serving the Buildings and Premises (including, without limitation, snow and ice removal) in order to provide an attractive and safe environment for users and visitors.

13.2. Sustainability. Lessor maintains high standards for environmental stewardship in operating and maintaining all of its facilities. Accordingly, Lessee agrees to operate and maintain the Premises with good faith, reasonable efforts to (a) use recycled and recyclable materials and products, (b) use Energy Star appliances or their equivalent and employ sound practices to conserve energy, (c) encourage and facilitate the ability of tenants to car pool and/or commute via public transportation or other alternative method of transportation, and (d) maintain and operate the Premises, and/or require that any third party property manager(s) maintain and operate the Premises, using products and practices designed to support environmental stewardship to include, without limitation, compliance with those sustainability standards and requirements required to maintain all of the installed equipment, systems and assets in accordance with the manufacturer's recommendations and industry standards.

13.3. No Obligation of Lessor to Repair. Except as otherwise set forth in the Community Center Sublease, Lessor shall not be obligated to make any repairs, replacements or renewals of any kind, nature or description whatsoever to the Premises or the Improvements, and Lessee hereby expressly waives any right to terminate this Lease and any right to make repairs at Lessor's expense under any Applicable Laws.

14. Utilities And Services

Lessor and Lessee shall endeavor to have all utilities serving the Community Center separately metered. Except as otherwise set forth in the Community Center Sublease, Lessee shall be solely responsible for, shall make all arrangements for, and shall pay for all utilities and services furnished to or used at the Premises, including without limitation, gas, electricity, water, telephone, cable and other communication services, security services, sewage, sewage service fees, trash collection, and any Taxes

thereon. All service lines of such utilities shall be installed and connected and maintained at no cost or expense to Lessor.

15. **Mechanics' And Other Liens**

15.1. **No Liens.** Except as permitted by Sections, 22, 23 and 24, Lessee covenants and agrees to keep the Premises and every part thereof and all Improvements free and clear of and from any and all mechanics', material suppliers and other liens for: (a) work or labor done, services performed, materials, appliances, or power contributed, used or furnished, or to be used, in or about the Premises for or in connection with any operations of Lessee; (b) the Project or any Alterations; or (c) any work or construction by, for or permitted by Lessee on or about the Premises or Improvements (collectively, "**Liens**"). Lessee shall promptly and fully pay and discharge any and all claims upon which any such Lien may or could be based, and keep the Premises and Improvements free and clear of, and save and hold Lessor, the Premises and the Improvements harmless from, any and all such Liens and claims of Liens, damages, liabilities, costs (including, without limitation, attorneys' fees and costs), suits or other proceedings pertaining thereto.

15.2. **Lessor's Interests.** Nothing herein shall authorize Lessee to do any act that may encumber the fee simple title of Lessor in and to the Premises, nor shall the fee simple estate of Lessor therein be in any way subject to any claim of lien or encumbrance, whether claimed by operation of law or by virtue of any express or implied contract by Lessee. Any claim to a lien upon the Premises or any Improvements constructed thereon by Lessee, arising from any act or omission of Lessee, shall accrue only against the leasehold estate and shall in all respects be subject to the paramount fee simple title of Lessor. In no event shall any interest of Lessor in the Premises, including without limitation, Lessor's right to receive Rent and its other rights and interest under this Lease (collectively, "**Lessor's Interest**"), be subject or subordinate to any Lien.

Without limitation of the foregoing, no work performed by, through, under or for Lessee pursuant to this Lease shall be deemed to be for the immediate use or benefit of Lessor to the end that no mechanic's or other liens shall be allowed against the estate of Lessor by reason of any consent given by Lessor to Lessee to improve the Premises. Prior to commencement of any work or the supplying of materials, Lessee shall provide to any contractor or subcontractor performing services or supplying materials for or to Lessee notice that such service and/or supplies are not at the direction of Lessor.

15.3. **Lessor's Right to Cause Release of Liens.** If Lessee does not cause any Lien that Lessee does not contest in accordance with Section 16 to be released of record by payment or posting of a proper bond or insured over within thirty (30) days following the imposition of such Lien, Lessor shall have the right, but not the obligation, to cause the Lien to be released by any means Lessor may deem appropriate, and the amount paid by Lessor, together with Lessor's Administrative Fees, plus interest at the Interest Rate from the date of payment by Lessor, shall be immediately due and payable by Lessee to Lessor upon demand.

16. **Right To Contest Liens**

Lessee shall have the right to contest, in good faith, the amount or validity of any Lien, provided that, before doing so, Lessee shall give Lessor written notice of Lessee's intention to do so within thirty (30) days after the recording of such Lien and provided further that Lessee shall, at its expense, defend itself and Lessor against such Lien and shall pay and satisfy any adverse judgment that may be rendered concerning such Lien before that judgment is enforced against the Premises. In addition, at the request of Lessor, Lessee shall either (a) procure and record a bond freeing the Premises from the effect of such Lien; or, (b) at Lessee's election, cause such Lien to be insured over for the benefit of Lessor; or (c) post

alternative security that is reasonably acceptable to Lessor and meets the requirements of Applicable Law to cause the Lien to no longer attach to Lessor's Interest. Lessee shall pay Lessor's Administrative Fees to Lessor in connection with any such contest.

17. Compliance With Laws

Lessee, at Lessee's sole cost and expense, shall comply with all Applicable Laws relating to this Lease, the Premises, the Improvements during the Term. Lessee shall give Lessor prompt written notice of any violation of Applicable Laws by Lessee or its agents known to Lessee and, at its sole cost and expense, Lessee shall promptly rectify any such violation. Without in any way limiting the generality of the foregoing obligation of Lessee, Lessee shall be solely responsible for compliance with, and shall make or cause to be made all such Alterations to the Premises (including, without limitation, removing barriers and providing alternative services) as shall be required by the Americans with Disabilities Act (42 USC section 12101 et seq.), as the same may be amended from time to time, and any similar or successor laws, and with any rules or regulations promulgated thereunder. Any work or installations made or performed by or on behalf of Lessee or any person or entity claiming through or under Lessee in order to conform the Premises to Applicable Laws shall be subject to and performed in compliance with the provisions of Section 11.

18. Hazardous Substances

18.1. Hazardous Substances. Except as provided in this Section 18.1, no Hazardous Substance shall be used, treated, kept, stored, transported, handled, sold or Released at, on, under or from the Premises during the Term. Notwithstanding the foregoing, Lessee and Lessee's Agents may use small quantities of standard janitorial, kitchen, and office products, and also such products as are incorporated into the functioning of building systems (e.g. HVAC units and elevators) that are necessary to the permitted use of the Premises and may use small quantities of Hazardous Substances as is necessary and typical in connection with the construction of the Premises, and then only in compliance with all Applicable Laws. Lessee shall (i) in all respects comply with all Environmental Requirements in its operation of the Premises and (ii) handle, treat, deal with and manage any and all Lessee's Hazardous Substances in total conformity with all Environmental Requirements, other Applicable Laws, and prudent industry practices regarding Hazardous Substances management.

18.2. Permits; Inventories. Lessee shall, at its own expense, procure, maintain in effect and comply with all conditions of any and all permits, licenses, and other governmental and regulatory approvals required for Lessee's use of Hazardous Substances at the Premises, including, without limitation, discharge of appropriately treated materials or wastes into or through any sanitary sewer serving the Premises.

18.3. No Lien. Lessee shall not suffer any lien to be recorded against the Premises as a consequence of any Lessee Environmental Activity, including any so-called state, federal or local Superfund lien related to the remediation of any Hazardous Substances in or about the Premises.

18.4. Indemnity for Environmental Claims.

18.4.1. To the greatest extent allowed by Applicable Laws, Lessee and its successors and assigns shall indemnify, protect, defend, reimburse, and save and hold harmless Lessor and the Lessor Parties from and against any and all Environmental Claims to the extent arising from or related to (a) Lessee Environmental Activity, (b) any non-compliance by Lessee with Environmental Requirements at the Premises, (c) any other acts or omissions of Lessee or Lessee's Agents in or about the Premises which result in the Release of Hazardous Substances, or (d) Lessee's demolition of the Existing Improvements and construction of the Leasehold Improvements. Lessee's obligations hereunder shall include, but not be

limited to, the reimbursement of Lessor's costs and expenses related to the defense of all claims, suits and administrative proceedings (using counsel selected by Lessor in its sole discretion), even if such claims, suits or proceedings are groundless, false or fraudulent; participating in all negotiations of any description; and promptly paying and discharging when due any and all judgments, penalties, fines or other sums due against or from Lessor or the Premises. Notwithstanding anything to the contrary contained herein, Lessee's indemnity shall not apply to the acts or omissions, negligence or willful misconduct of Lessor or any Lessor Party.

18.4.2. To the greatest extent allowed by Applicable Laws, Lessor and its successors and assigns shall indemnify, protect, defend, reimburse, and save and hold harmless Lessee and the Lessee Parties from and against any and all Environmental Claims to the extent arising from or related to (a) any non-compliance or violation by Lessor of Environmental Requirements with respect to the Land, or (b) any other acts or omissions of Lessor or Lessor's Agents in or about the Premises which result in the Release of Hazardous Substances. Lessee's obligations hereunder shall include, but not be limited to, the reimbursement of Lessee's costs and expenses related to the defense of all claims, suits and administrative proceedings (using counsel selected by Lessee in its sole discretion), even if such claims, suits or proceedings are groundless, false or fraudulent; participating in all negotiations of any description; and promptly paying and discharging when due any and all judgments, penalties, fines or other sums due against or from Lessee or the Premises. Notwithstanding anything to the contrary contained herein, Lessor's indemnity shall not apply to the acts or omissions, negligence or willful misconduct of Lessee or any Lessee Party.

18.5. **Obligation to Remediate.** Notwithstanding the obligation of Lessee to indemnify Lessor pursuant to this Lease, during the Term of this Lease, Lessee shall, upon demand by Lessor, and at Lessee's sole cost and expense, promptly take all actions to remediate the Premises from the effects of any Lessee Environmental Activity and to obtain regulatory closure determinations (referred to by several Environmental Requirements as "No Further Action Opinion Letters") from all applicable Governmental Authorities or agencies having jurisdiction over the Premises, including without limitation the Environmental Protection Agency, Washington Department of Ecology, Lessor, and King County. Lessee shall be responsible for all reporting obligations under applicable Environmental Requirements relating to Lessee Environmental Activity, and Lessee agrees to be named on any remediation orders as the primarily responsible party for such Lessee Environmental Activity, and Lessor shall be named, if Lessor consents in writing to be named, only secondarily liable. Lessor shall have the right to participate in all negotiations with the Governmental Authorities having jurisdiction over any remediation. Lessee's remediation obligations with regard to Lessee Environmental Activity shall include, but not be limited to, the investigation of the environmental condition of the Premises, the preparation of any feasibility studies, reports or remedial plans, and the performance of any cleanup, remediation, containment, operation, maintenance, monitoring or restoration work, whether on or off of the Premises. Lessee shall take all actions required under Environmental Requirements to remediate the Premises from the effects of such Lessee Environmental Activity. All such work, including without limitation the contractor(s) performing the work and the work plan for the remediation, shall be reasonably approved in advance and in writing by Lessor. Lessee shall proceed continuously and diligently with such investigatory and remedial actions, provided that in all cases such actions shall be in accordance with all Applicable Laws. Any such actions shall be performed in a good, safe and workmanlike manner. Lessee shall pay all costs in connection with such investigatory and remedial activities, including but not limited to all power and utility costs, and any and all taxes or fees that may be applicable to such activities. Lessor's environmental consultant shall have the right to be present during any testing or investigation on the Premises, and Lessee shall promptly provide to Lessor copies of testing results and reports that are generated in connection with the above activities and any that are submitted to any governmental entity. Promptly upon completion of such investigation and remediation, Lessee shall permanently seal or cap all monitoring wells and test holes in accordance with sound engineering practice and in compliance with Applicable Laws, remove all associated equipment, and

restore the Premises to the maximum extent possible, which shall include, without limitation, the repair of any surface damage, including paving, caused by such investigation or remediation.

Lessee shall, in compliance with this Section 18.5 and Environmental Requirements, other Applicable Laws, and prudent industry practices regarding Hazardous Substances management, be responsible for the removal, disposal, and/or remediation of any Hazardous Substances present in the Premises during demolition of the Existing Improvements and construction of the Leasehold Improvements.

18.6. Obligation to Notify. If Lessee or Lessor shall become aware of or receive notice or other communication in writing concerning any actual, alleged, suspected or threatened violation of Environmental Requirements, Release of Hazardous Substances, or liability for Environmental Claims in connection with the Premises, including but not limited to, notice or other communication concerning any actual or threatened investigation, inquiry, lawsuit, claims, citation, directive, summons, proceeding, complaint, notice, order, writ, or injunction, relating to same, then such Party promptly shall deliver to the other Party a written description of said notice or other communication within five (5) Business Days after receipt. Except as required by Applicable Laws, or as permitted by Lessor or Lessee in writing, Lessee and Lessor shall maintain the confidentiality of all information, reports and assessments regarding the environmental condition of the Premises, whether received by or prepared for Lessee or Lessor, unless otherwise required to be disclosed by Applicable Law.

18.7. Right to Inspect. Lessor shall have the right to enter and conduct an inspection of the Premises, including invasive tests, at any reasonable time and upon reasonable advance written notice, and in a commercially reasonable manner, to determine whether Lessee is complying with the terms of this Lease, including but not limited to the compliance of the Premises and the activities thereon with Environmental Requirements and the existence of Environmental Claims as a result of the condition of the Premises or surrounding properties and activities thereon. Lessor shall have the right, but not the obligation, to retain at its expense any independent professional consultant to enter the Premises to conduct such an inspection, and to review any report prepared by or for Lessee concerning such compliance. Lessee hereby grants to Lessor and Lessor's Agents the right to enter the Premises and to perform such tests on the Premises as are reasonably necessary in the opinion of Lessor to conduct such review and inspections. Except to the extent of Lessor's gross negligence or willful misconduct in the exercise of its rights under this Section 18.7, Lessee hereby waives and releases any claims for damages for any injury or inconvenience to or interference with Lessee's business at the Premises, any loss of occupancy or quiet enjoyment of the Premises or any other loss, damage, liability or cost occasioned by Lessor's exercise of the rights reserved to Lessor under, or granted to Lessor pursuant to this Section 18.7. In no event shall Lessee be entitled to terminate this Lease as a result of Lessor's exercise of such rights, notwithstanding any possible liability of Lessor for damages as a result of its inspection of the Premises pursuant to this Section 18.7. Notwithstanding the foregoing, the waiver and release set forth in this Section 18.7 are not intended and shall not be construed to affect or impair any rights or remedies that Lessee may have against Lessor as a result of any breach of any representations or warranties made by Lessor or any of the covenants of the Lessor set forth in this Agreement.

18.8. Right to Remediate. If Lessee fails to perform or observe any of its obligations or agreements pertaining to Hazardous Substances or Environmental Requirements, then Lessor shall have the right, but not the obligation, without limitation of any other rights of Lessor hereunder, following thirty (30) days prior written notice to Lessee, and Lessee's failure to commence remediation activities within the 30-day period, to enter the Premises personally or through Lessor's Agents and perform the same. Lessee agrees to indemnify Lessor for the costs thereof and liabilities therefrom as set forth above in this Section 18.8. With respect to any work undertaken by Lessor to remediate the Premises from the effects of Lessee Environmental Activity pursuant to this Section 18.8, Lessee shall be named as generator of all

Hazardous Substances that are disposed of in connection with the remediation, and all such Hazardous Substances shall be disposed of using Lessee's hazardous waste generator number.

18.9. Statute of Limitations. Lessee hereby agrees that no statute of limitations relating to Lessee Environmental Activity, the presence of Hazardous Substances, the violation of Environmental Requirements or any other matter covered by this Section 18 shall commence to run unless and until Lessor obtains actual knowledge of any of the foregoing in the course of any inspection or assessment conducted by Lessor, whether independently, from Lessee, or by written notice from a governmental agency with jurisdiction over the environmental condition of the Premises or from Lessee (each, a "**Triggering Event**"). In the event of a Triggering Event, Lessor and Lessee shall enter into a commercially reasonable agreement to toll all applicable statutes of limitation, which the parties shall renew periodically during the Term; provided that by entering into such agreement Lessor shall not be deemed to have waived any enforcement rights, and Lessee shall not be deemed to have waived any substantive defenses, available pursuant to this Lease or any Applicable Laws.

18.10. Existing Hazardous Substances.

18.10.1. Lessee's Release. From and after the Commencement Date, Lessee hereby releases Lessor and all Lessor Parties from all liability to Lessee or Lessee Parties related to the Release of any Hazardous Substances in, on, under or about the Premises on or after the Commencement Date, as well as any migration, seepage or discharge on, under or in the Premises of Hazardous Substances originating off of the Premises occurring from and after the Commencement Date, except to the extent such liability arises as a result of the gross negligence or willful misconduct of Lessor or any Lessor Parties.

18.10.2. Lessor's Release. Lessor hereby releases Lessee and all of its officers, employees, agents and representatives of Lessee (the "**Lessee Parties**") from all liability to Lessor related to the (i) existence or Release of any Hazardous Substances in, on, under or about the Premises prior to the Commencement Date, as well as any (ii) migration, seepage or discharge on, under or in the Premises of Hazardous Substances originating off of the Premises that occurred prior to the Commencement Date, except to the extent such liability arises as a result of the gross negligence or willful misconduct of Lessee, or Lessee's exacerbation of any such Hazardous Substances prior to or following the Commencement Date. Notwithstanding the foregoing, Lessee shall not be released from its obligations pursuant to Section 18.5.

18.10.3. Other Claims. Nothing in this Section 18.10 shall prevent or limit Lessor or Lessee (separately or jointly) from pursuing claims against third parties who may have liability with respect to Environmental Claims and/or Hazardous Substances with respect to the Premises, whether arising before or after the Commencement Date.

18.11. General Provisions.

18.11.1. The obligations of Lessee under this Section 18 shall not be affected by any investigation by or on behalf of Lessor, or by any information which Lessor may have or obtain as a result of any such investigation.

18.11.2. The provisions of this Section 18 shall survive any termination of this Lease.

18.11.3. The provisions of Section 19 (Insurance) shall not limit in any way Lessee's obligations under this Section 18. If any governmental agency or department requires insurance or bonds with respect to any proposed or actual use, storage, treatment or disposal of Hazardous Substances by Lessee or any of Lessee's Agents, Lessee shall be responsible for such insurance and bonds and shall pay all premiums and charges connected therewith; provided, however, that this provision shall not be deemed

to modify the requirements of the Section 19.

19. Insurance.

19.1. Required Insurance. At all times during the Term and at its sole cost and expense, Lessee shall obtain and keep in force for the benefit of Lessee and Lessor the following insurance:

19.1.1. Property Insurance. Commercial property insurance covering the building, fixtures, equipment, tenant improvements (unless separately insured by Subtenants) and betterments, with coverage at least as broad as the ISO special causes of loss form and specifically including the perils of earthquake, flood and terrorism. The amount of such insurance (other than earthquake, flood and terrorism coverage) shall be the Full Replacement Value. The amount and terms of earthquake, flood and terrorism coverage shall be as close to Full Replacement Value as is available at commercially reasonable rates given market deductibles and coverage limits and comparable to that carried by similar commercial properties in the greater Seattle area. Lessor shall be named as a loss payee on Lessee's property insurance. Lessee's property insurance shall be primary and non-contributory to any insurance or self-insurance maintained by Lessor.

19.1.1.1. **"Full Replacement Value"** means 100% of the actual costs to replace the Improvements (without deduction for depreciation but with standard exclusions such as foundations, excavations, paving and landscaping, as applicable to specific perils), including the costs of demolition and debris removal and including materials and equipment not in place but in transit to or delivered to the Premises. The Full Replacement Value initially shall be determined at Lessee's expense by an appraiser or an insurer, selected by Lessee and reasonably acceptable to Lessor. Lessee shall notify Lessor of the determination of the Full Replacement Value by such appraiser or insurer. Lessor or Lessee may at any time, but not more frequently than once in any twelve (12) month period, by written notice to the other, require the Full Replacement Value to be redetermined, at Lessee's expense, by an appraiser or insurer selected by Lessee and reasonably acceptable to Lessor. Lessee shall not cause the Full Replacement Value to be redetermined except in accordance with the preceding sentence. Lessee shall maintain coverage at the current Full Replacement Value throughout the Term, subject to reasonable deductibles approved in writing by Lessor.

19.1.1.2. **Rental and Business Interruption Insurance.** Property insurance shall include business interruption and extra expense coverage insurance in an amount sufficient to insure payment of Rent for a period of not less than six (6) months during any interruption of Lessee's business by reason of the Premises being damaged by perils covered under the policy.

19.1.2. Equipment Breakdown/Boiler and Machinery Insurance. Equipment breakdown insurance covering the building, fixtures, equipment, tenant improvements and betterments for the value as determined by Lessee from loss or damage caused by the electrical, mechanical or boiler failure. This coverage may be provided under the commercial property insurance policy or through a separate commercial "boiler and machinery" property insurance policy.

19.1.3. Worker's Compensation. Worker's Compensation Insurance in the amounts and coverages required in accordance with Applicable Laws, if applicable.

19.1.4. Employer's Liability Insurance. Employer's liability insurance in an amount not less than \$5,000,000 each accident or per employee for bodily injury or from disease, if applicable.

19.1.5. Commercial General Liability Insurance. Commercial general and if necessary umbrella liability insurance covering the use and occupancy of the Premises and insuring against claims for

bodily injury, property damage and other covered loss (however occasioned) occurring on the Premises during the policy term. Such coverage shall be written on an "occurrence" form, with such limits as may be reasonably required by Lessor from time to time, but in any event not less than \$25,000,000 in the aggregate for the Premises, which Lessee shall increase as necessary during the Term to maintain adequate coverage over time that is comparable to the requirements in effect as of the execution of this Lease.

19.1.5.1. Such insurance shall (A) delete any employee exclusion on personal injury coverage; (B) provide blanket contractual coverage, including liability assumed by and the obligations of Lessee under Section 20 for bodily injury, death and/or property damage; (C) provide Products and Completed Operations and Independent Contractors coverage and Broad Form Property Damage liability coverage without exclusions for collapse, explosion, demolition, underground coverage and excavating, including blasting; (D) provide liability coverage on all mobile equipment used by Lessee; and (E) include a cross liability endorsement (or provision) permitting recovery with respect to claims of one insured against another.

19.1.5.2. If commercial general liability insurance with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

19.1.5.3. In the event that Lessee or any Subtenant of Lessee is in the business of selling or serving alcoholic beverages, unless such insurance is separately provided by such Subtenant, Lessee shall procure liquor liability insurance coverage (unless such insurance is separately provided by such Subtenant), in an amount not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate.

19.1.6. Commercial Auto Liability. Automobile and, if necessary, umbrella liability insurance including coverage for owned, non-owned, leased or hired vehicles, written on an insurance industry standard form or equivalent, with limits of not less than \$5,000,000 each accident.

19.1.7. Other. All other insurance that Lessee is required to maintain under Applicable Laws, and any other form or forms of insurance that Lessor may reasonably require from time to time in amounts and for insurable risks against which a prudent tenant would protect itself to the extent landlords of comparable buildings in the vicinity of the Premises require their tenants to carry such other form(s) of insurance.

19.2. Policy Form and General.

19.2.1. Policies. All of the insurance policies required under this Lease, including without limitation, under the provisions of Section 11 and this Section 19, and all renewals thereof shall be issued by one or more companies of recognized responsibility, authorized to do business in Washington, with a financial rating reasonably acceptable to Lessor. The proceeds of all property damage and builder's risk policies of insurance shall be payable to Lessee for application in accordance with this Lease, and Lessor shall be named as an additional insured, as its interest may appear. All liability insurance shall name as additional insureds Lessor, the Lessor Parties, and such other parties as Lessor reasonably may request, as their interest may appear. Any deductibles or self-insurance retention for any of the foregoing insurance must be agreeable to Lessor, in its reasonable discretion. All deductibles and self-insurance retention shall be paid by Lessee. All insurance of Lessee shall be primary coverage to Lessor and the Lessor Parties. Any insurance or self-insurance maintained by Lessor shall be excess of Lessee's insurance and shall not contribute to it.

19.2.2. Proof of Insurance; Renewals. Copies of Lessee's certificates of insurance shall be

delivered to Lessor within ten (10) days prior to the delivery of possession of the Premises to Lessee and thereafter within five (5) days prior to the expiration of the term of each such policy. As often as any policy shall expire or terminate, renewal or additional policies shall be procured and maintained by Lessee in like manner and to like extent. Lessee will give to Lessor thirty (30) days' notice in writing in advance of any cancellation or lapse or of the effective date of any reduction in the amounts of insurance. Lessor reserves the right to require complete certified copies of all required insurance policies, including endorsements affecting the coverage required by the specifications at any time.

19.2.3. Increased Coverage. If either Party shall at any time deem the limits of any of the insurance described in this Lease then carried or required to be carried to be either excessive or insufficient, the parties shall endeavor to agree upon the proper and reasonable limits for such insurance then to be carried and such insurance to the extent available at commercially reasonable rates, shall thereafter be carried with the limits thus agreed upon until further change pursuant to the provisions of this subsection. If the parties shall be unable to agree on the proper and reasonable limits for such insurance, then either Party may submit the matter to arbitration pursuant to the then-current Expedited Procedures under the Commercial Arbitration Rules and Mediation Procedures of the American Arbitration Association.

19.2.4. No Representation. No approval by Lessor of any insurer, or the terms or conditions of any policy, or any coverage or amount of insurance, or any deductible amount shall be construed as a representation by Lessor of the solvency of the insurer or the sufficiency of any policy or any coverage or amount of insurance or deductible, and Lessee assumes full risk and responsibility for any inadequacy of insurance coverage or any failure of insurers.

19.2.5. Lessor Rights. If Lessee fails to take out and keep in force each insurance policy required under this Section 19, or if such insurance is not be reasonably approved by Lessor and Lessee does not rectify the situation within five (5) Business Days after written notice from Lessor to Lessee, Lessor shall have the right, without assuming any obligation in connection therewith, to purchase such insurance at the sole cost of Lessee, and all costs incurred by Lessor shall be payable to Lessor by Lessee within thirty (30) days after demand without prejudice to any other rights and remedies of Lessor under this Lease.

19.2.6. Waiver of Recovery. Notwithstanding anything to the contrary contained herein, to the extent of property insurance proceeds received (or which would have been received had Lessee carried the insurance required by this Lease) with respect to the loss, Lessee hereby waives any right of recovery against Lessor and any other party maintaining a policy of property insurance with respect to the Premises or any portion thereof, or the contents of the Premises or the Improvements for any loss or damage sustained by Lessee with respect to the Premises, the Improvements, or any portion thereof, or the contents of the same or any operation therein, whether or not such loss is caused by the fault or negligence of Lessor. Lessee shall notify Lessor if the policy of insurance carried by it does not permit the foregoing waiver.

20. **Indemnity And Release**

20.1. **Indemnity**. To the greatest extent allowed by Applicable Laws, unless otherwise provided herein, Lessee and its successors and assigns shall indemnify, protect, defend and save and hold harmless Lessor and the Lessor Parties (hereinafter collectively referred to as the "**Lessor Indemnitees**") from and against, and shall reimburse Lessor and the Lessor Parties for, any and all claims, demands, losses, damages, costs, liabilities, penalties, causes of action and expenses, including, without limitation, reasonable attorneys' fees and expenses (collectively, "**Claims**"), incurred in any way in connection with or arising from, in whole or in part, the following: (a) any default by Lessee in the observance or performance of any of the terms, covenants or conditions of this Lease on Lessee's part to be observed or performed; (b) the use, occupancy or manner of use or occupancy of the Premises by Lessee, any of Lessee's Agents, or any

other person or entity claiming by, through or under Lessee; (c) the conduct or management of any work or thing done in or on the Premises by Lessee, any of Lessee's Agents, or any other person or entity claiming by, through or under Lessee; (d) the design (including actual or alleged design defects), construction (including actual or alleged construction defects), removal, financing, maintenance, or condition of any Improvements during the Term; (e) the condition of the Premises during the Term; (f) any actual or alleged acts, omissions, or negligence of Lessee or Lessee's Agents in, on or about the Premises; (g) any Lessee Environmental Activity during the Term; (h) any accident or other occurrence on the Premises, but not including the Community Center, from any cause whatsoever during the Term; or (i) Lessee's operation or management of the Premises. This indemnification will also inure to the successors and assigns of the Lessor Indemnitees and will also be binding upon the successors and assigns of Lessee, and this indemnification will survive the expiration or termination of this Lease. In case any claim, action or proceeding is brought, made or initiated against a Lessor Indemnitee relating to any of the above described events, acts, omissions, occurrences, or conditions, Lessee, upon notice from Lessor or such Lessor Party, shall at its sole cost and expense, resist or defend such claim, action or proceeding by attorneys reasonably approved by Lessor or such Lessor Party. Notwithstanding the foregoing, Lessee's indemnity obligations described herein shall not apply to the extent a Claim arises or results from Lessor's breach of its obligations under this Lease or the Community Center Sublease; the gross negligence or willful misconduct of Lessor, Lessor's Agents, Subtenants, or invitees; Lessor's use, occupancy, or manner of use or occupancy of the Community Center by Lessor, any of Lessor's Agents, or any other person or entity claiming by, through or under the Community Center Sublease; any accident or other occurrence at the Community Center from any cause whatsoever; and, Lessor's operation or management of the Community Center. The foregoing indemnity is specifically and expressly intended to, constitute a waiver of Lessee's immunity under Washington's Industrial Insurance Act, RCW Title 51, to the extent necessary to provide Lessor with a full and complete indemnity from claims made by Lessee and its employees, to the extent provided herein.

20.2. Indemnification by Lessor. To the greatest extent allowed by Applicable Laws, unless otherwise provided herein, Lessor and its successors and assigns shall indemnify, protect, defend and save and hold harmless Lessee and all of its trustees, officers, employees, directors, agents, and consultants (hereinafter collectively referred to as the "**Lessee Indemnitees**") from and against, and shall reimburse the Lessee Indemnitees for, any and all Claims incurred in any way in connection with or arising from, in whole or in part, the following (i) any actual or alleged acts, omissions, or negligence of the Lessor, its agents or employees, or others working at the direction of the Lessor or on its behalf, in, on or about the Premises (ii) any default by Lessor in the observance or performance of any of the terms, covenants or conditions of this Lease or the Community Center Sublease on Lessor's part to be observed or performed; and (iii) any violation of Governmental Regulations by Lessor or such other Persons. The indemnification obligations of Lessor and its successors and assigns as provided herein shall be in addition to any indemnification obligations required of Lessor under the Community Center Sublease. This indemnification will also inure to the successors and assigns of the Lessee Indemnitees and will also be binding upon the successors and assigns of Lessee, and this indemnification will survive the expiration or termination of this Lease. In case any claim, action or proceeding is brought, made or initiated against a Lessee Indemnitee relating to any of the above described events, acts, omissions, occurrences, or conditions, Lessor, upon notice from such Lessee Indemnitee, shall at its sole cost and expense, resist or defend such claim, action or proceeding by attorneys reasonably approved by such Lessee Indemnitee. Notwithstanding the foregoing, Lessor's indemnity obligations described herein shall not apply to the extent a Claim arises or results from the gross negligence or willful misconduct of Lessee, its agents or employees, or others working at the direction of the Lessee at the Premises, or claims exclusively between the undersigned parties arising from the terms or regarding the interpretation of this Lease.

20.3. Lessee's Assumption of Risk and Waiver. As a material part of the consideration to Lessor for entering into this Lease, except as otherwise provided herein, Lessee agrees that neither Lessor

nor any Lessor Party shall be liable to Lessee for, and Lessee expressly assumes the risk of and waives, releases and discharges Lessor and all Lessor Parties from any and all claims, damages, liabilities, costs and expenses of any kind or nature relating in any manner, directly or indirectly, in whole or in part, to the Premises (but not including the Community Center) or this Lease, whether resulting from any act or omission of Lessor or from any other cause whatsoever, including without limitation: (a) the performance of any public or quasi-public works on or near the Premises; (b) any loss or theft of, or damage to, any Improvements or personal property; (c) any act or omission of any person accessing the Premises pursuant to an easement or right of entry reserved under this Lease or implied by Applicable Law; and (d) any past, present or future aspect, feature, characteristic, circumstance or condition arising out of or in connection with the Premises; provided, however, that this assumption of risk and waiver and release shall not apply to the negligence or willful misconduct of Lessor, or failure by Lessor to comply with any of its express obligations under this Lease or the Community Center Sublease, or with respect to any indemnity obligations of Lessor hereunder. Without limiting the generality of the foregoing provisions of this Section 20.3, and notwithstanding anything to the contrary elsewhere in this Lease, neither Lessee or Lessor shall under any circumstances whatsoever be liable to the other for consequential damages or interference with light or other incorporeal hereditaments. The provisions of this Section 20.3 shall survive the expiration or earlier termination of this Lease.

21. Condemnation, Damage or Destruction

21.1. Condemnation. The following terms and conditions shall apply in the event of a Condemnation.

21.1.1. Total Taking. If all of the Premises or any substantial part of the Premises (as shall in the reasonable discretion of Lessee make it economically unfeasible to continue to operate the remaining portion of the Premises) shall be taken as a result of a Condemnation (“**Total Taking**”), this Lease shall terminate as of the date of taking or as of the date of final judgment, whichever is earlier. All Awards with respect to Lessee’s interests with respect to such Total Taking shall be distributed as follows: (1) first to the Leasehold Mortgagee in an amount equal to the principal, accrued interest and other amounts due and payable under the Leasehold Mortgage; and (2) the remaining balance of the Award shall be paid to the Lessor.

21.1.2. Partial Taking. Upon any Condemnation which is not a Total Taking (“**Partial Taking**”), (i) this Lease shall terminate as to the portion of the Premises subject to the Partial Taking; and (ii) this Lease shall be terminated in its entirety if the Premises cannot be restored to an economically viable whole capable of operation in accordance with this Lease, and capable of generating sufficient revenues to pay the indebtedness under the Leasehold Mortgage, as and when due. If this Lease is terminated due to a Partial Taking as set forth above, the Award shall be distributed as set forth in Section 21.1.1 above. If a Partial Taking occurs, and this Lease is not terminated pursuant to and in accordance with this Section 21.1.2, this Lease shall be deemed amended, effective as of the effective date of such Condemnation, such that the definition of the “Premises” shall include only that portion of the Premises that is not subject to such Condemnation, and the Award for such Partial Taking shall be distributed to the Leasehold Mortgagee, and used to repair and restore the Premises, as set forth in Section 21.1.4 below.

21.1.3. Effect of Condemnation. No Condemnation shall, except as otherwise provided herein, operate to terminate this Lease. In no event shall Lessee be entitled to any proration or refund of Rent paid hereunder. Unless this Lease is terminated pursuant to and in accordance with this Section 21.1, no such Condemnation shall relieve or discharge Lessee from the payment of Rent, or from the performance and observance of any of the agreements, covenants and conditions herein contained on the part of Lessee to be performed and observed.

21.1.4. Repair and Restoration. If a Partial Taking occurs, and the Premises can be restored to an economically viable whole capable of operation in accordance with this Lease, and capable of generating sufficient revenues to pay the indebtedness under the Leasehold Mortgage, as and when due, Lessee, as promptly as practicable and with all due diligence, shall cause the repair or reconstruction of or the making of Alterations to the Improvements as necessary to restore the Premises. All repairs and restoration shall be performed in accordance with the provisions of Section 11 of this Lease (as applicable). Except as otherwise provided herein, all Awards received by or payable to either Party with respect to the repairs needed to repair the Premises following a partial Condemnation, less actual costs and expenses incurred in connection with the collection thereof, shall be applied to the costs of repair and restoration of the Premises and the Improvements in accordance with the provisions of this Section 21.1.4 and in compliance with Section 11 (as applicable). Lessee's obligation to restore the Premises is subject to Lessee's allocation of the Award being sufficient to restore the Premises in accordance with the terms of this Lease.

21.1.5. Allocation of Award. The amount of the Award due to Lessor and Lessee as a result of Condemnation shall be separately determined by the court having jurisdiction over such proceedings based on the following: Lessor shall be entitled to that portion of the Award attributable to the value of its interest in the Premises (or portion thereof subject to Condemnation, in case of a Partial Taking) subject to this Lease, as determined by the court; Lessee shall be entitled to that portion of the Award attributable to the value of Lessee's leasehold interest in the Premises (or portion thereof subject to Condemnation, in case of a Partial Taking), as determined by the court.

21.1.6. Excess Award. If the total Award made in connection with any Condemnation for Lessee's interests, and for severance damages to both Lessee's and Lessor's interests, exceeds the amount necessary to repair, restore, reconstruct or demolish Alterations as required under Section 21.1.4 in a case where this Lease is not terminated, upon receipt by Lessor of satisfactory evidence that the work of repair, restoration, reconstruction or demolition required under Section 21.1.4 has been fully completed and paid for in accordance with the provisions of Section 11 and that the last day for filing any mechanic's or materialmen's liens has passed without the filing of any, or if filed, any such lien has been released, such excess Award (which is attributable to Lessee's leasehold interest in the Premises) shall first be paid to the holders of Leasehold Mortgages as their interests may appear, and to the extent required thereunder, and second be paid to the Lessor.

21.1.7. Temporary Taking. If the whole or any part of the Premises or of Lessee's interest in this Lease shall be taken in condemnation proceedings or by any right or eminent domain for a temporary use or occupancy, the Term shall not be reduced or affected in any way and Lessee shall continue to pay in full the Rent due hereunder. Except only to the extent that Lessee is prevented from so doing pursuant to the terms of the order of the condemning authority, Lessee shall continue to perform and observe all of the other covenants, agreements, terms and provisions of this Lease as though such taking had not occurred. Lessee shall be entitled to receive the entire amount of any award made for such temporary taking whether such award is paid by way of damages, rent or otherwise, unless such period of temporary use or occupancy shall extend beyond the Expiration date of the Term, in which case such award, after payment to Lessor therefrom of the estimated cost of restoration of the Premises, to the extent that any such award is intended to compensate for damage to the Premises, shall be apportioned by Lessor and Lessee as of such date of expiration in the same ratio that the part of the entire period for such compensation is made falling before the date of expiration and that part falling after, the Expiration Date, bear to the entire period.

21.1.8. Participation in Settlement. Lessor and Lessee shall both have the right to participate in the settlement or compromise of any Awards.

21.2. **Damage or Destruction**. No loss or damage by fire or other cause resulting in either partial

or total destruction of the Premises, the Improvements or any other property on the Premises shall, except as otherwise provided herein, operate to terminate this Lease. The following terms and conditions shall apply in the event of damage to or destruction of the Premises.

21.2.1. No Effect on Rent. Except as expressly provided herein, no such loss or damage shall affect or relieve Lessee from Lessee's obligation to pay Rent, and in no event shall Lessee be entitled to any proration or refund of Rent paid hereunder. Unless this Lease is terminated pursuant to and in accordance with this Section 21.2, no such loss or damage shall relieve or discharge Lessee from the payment of Rent, or from the performance and observance of any of the agreements, covenants and conditions herein contained on the part of Lessee to be performed and observed.

21.2.2. Determination of Damage. Upon the occurrence of any event of damage or destruction to the Premises or the Improvements or any portion thereof, Lessee shall promptly undertake to determine the extent of the same and the estimated cost and time to repair and restore the Improvements in accordance with the provisions of this Lease. Lessee shall notify Lessor of its estimation of such cost and time not later than one hundred twenty (120) days after the occurrence of the damage or destruction.

21.2.3. Repair and Restoration. If the Premises or the Improvements, or any portion thereof, are damaged or destroyed at any time during the Term and this Lease is not terminated by either Party pursuant to and in accordance with this Section 21.2, Lessee, as promptly as practicable and with all due diligence (given the time required to obtain insurance proceeds and to obtain construction permits), shall cause the repair, reconstruction and replacement of the Improvements as nearly as possible given the circumstances and then-Applicable Law to their condition immediately prior to such damage or destruction and, except as otherwise approved in writing by Lessor or precluded by then-Applicable Law, to their same general appearance.

21.2.4. Insurance Proceeds. All repairs and restoration shall be performed in accordance with the provisions of Section 11 of this Lease (as applicable). Except as otherwise provided herein due to a termination of this Lease, all insurance proceeds received by or payable to any Party with respect to any casualty, less actual costs and expenses incurred in connection with the collection thereof, shall be applied to the costs of repair and restoration of the Premises and the Improvements in accordance with the provisions of Section 21.2.7 and in compliance with Section 11 (as applicable). All such insurance proceeds shall be held by the Leasehold Mortgagee and made available to Lessee in monthly draws during the repair of the Premises, which shall be available upon submission by Lessee of written request accompanied by reasonably detailed invoices and customary lien releases from Lessee's contractor, and as otherwise required under the terms of the Leasehold Mortgage. Lessee shall pay any amount by which the insurance proceeds received as a result of such damage, less the costs and expenses incurred in connection with the collection thereof, are insufficient to pay the entire cost of such repair and restoration.

21.2.5. End of Term Damage. In the event of any damage to or destruction of the Premises or the Improvements or any portion thereof occurs during the last three (3) years of the Term and (i) the cost to repair and restore the same to substantially the same condition as existed immediately prior to such occurrence is reasonably estimated to exceed twenty percent (20%) of full replacement cost of all Improvements on the Premises, and (ii) the insurance proceeds available to Lessee (or which would be available if Lessee had maintained any required insurance that Lessee has failed to maintain) plus the amount of any deductible, is not sufficient to complete the required repair and restoration, then Lessee shall have the option to terminate this Lease, exercisable as provided below. In such event the insurance proceeds shall be distributed as set forth in Section 21.2.7 below.

21.2.6. Option to Terminate. In the event of Catastrophic Damage, Lessee may exercise its option to terminate this Lease pursuant to this Section 21.2, by giving written notice to Lessor within

sixty (60) days after the occurrence of the event of damage or destruction. If Lessee elects to terminate this Lease pursuant to this Section 21.2, Lessee shall surrender the Premises to Lessor in accordance with the provisions of Section 27, except to the extent the damage or destruction prevents Lessee from so doing. Lessee's obligations under this Section 21.2 shall survive the termination of this Lease. All proceeds of insurance payable with respect to damage to, or destruction of the Improvements and other property located on the Premises, after payment of costs and expenses of collection thereof, shall first be applied to pay all amounts due under the Leasehold Mortgage in full; second, applied to the costs of demolition, removal, restoration, and remediation, as appropriate, depending on the extent of the damage or destruction, with the balance, if any, of such insurance proceeds, to be distributed as provided in subsection 21.2.7.

21.2.7. Insurance Proceeds. If there are proceeds of insurance in excess of that required to repair, restore, reconstruct or demolish the Premises and the Improvements as required under this Section 21.2, or Section 27, upon receipt by Lessor of satisfactory evidence that the work of repair, restoration, reconstruction or demolition required under this Section 21.2, has been fully completed and paid for in accordance with the provisions of Section 11 and that the last day for filing any mechanic's or materialmen's liens has passed without the filing of any, or if filed, any such lien has been released, the holders of Leasehold Mortgages shall receive payment from any remaining insurance proceeds up to the amount necessary to repay the loans secured by the Leasehold Mortgages in full, and any insurance proceeds that remain after such payment shall be the paid to Lessor.

21.2.8. Participation in Settlement. Lessor shall have the right to participate in the settlement or compromise of any insurance proceeds.

21.2.9. Emergency Repairs. If a casualty occurs there is a substantial possibility that immediate emergency repairs will be required to eliminate defective or dangerous conditions and to comply with Applicable Laws pending settlement of insurance claims and prior to procuring bids for performance of restoration work. Notwithstanding any provision of this Section 21.2, to the contrary, Lessee shall promptly undertake such emergency repair work after a casualty as is necessary or appropriate under the circumstances to eliminate defective or dangerous conditions and to comply with Applicable Laws and any proceeds of insurance shall first be applied to reimburse Lessee for the cost of such emergency repair work.

22. **Assignment; Subletting**

22.1. Except as otherwise specifically provided in this Lease, Lessee shall not directly or indirectly, in whole or in part, voluntarily or by operation of law, sell, assign, encumber, pledge or otherwise transfer its interest in or rights with respect to the leasehold estate created by this Lease (any of the foregoing being herein referred to as a "**Transfer**") without the prior written consent of the Lessor, which consent may not be unreasonably withheld. Any sale or other transfer of voting stock, partnership interests or membership interests, or any consolidation, merger or reorganization that is more than 50% of the voting stock, partnership interests, or membership interests of the Lessee entity and results in a change in control of Lessee or TeamCo, or any sale or transfer that results in a change in control of Lessee or TeamCo, shall be deemed a Transfer hereunder. In connection with any assignment of Lessee under this section and prior to or at the time of assignment, the assignee shall provide the City with a written assumption of obligations of Lessee under this Agreement.

Notwithstanding the foregoing, in the event of a sale of the Franchise to a third party purchaser which has been approved by the NHL, and provided Lessor has received from such purchaser the written assumption of obligations of Lessee under this Lease together with a replacement guarantor reasonably satisfactory to Lessor, which guarantor executes a guaranty substantially similar to the Guaranty, Lessor shall consent to such assignment.

22.2. Subletting; Subleases. So long as Lessee complies with the terms of this Section, Lessee shall be entitled to sublease space within the Improvements to be constructed by Lessee on the Premises, including the Restaurant (as defined in the Agreement to Lease) and locker spaces (each a “**Subleased Space**”), to third parties (each, a “**Subtenant**”) without Lessor’s prior consent or approval.

22.2.1. Lessor Rights and Obligations. In the event Lessee fails or refuses to pay Rent when due or is otherwise in Default of this Lease, Lessor shall be entitled to direct Subtenant to pay all rental and other payments under the sublease directly to Lessor by written notice to such sublessee and without liability to the original Lessee, provided, that, (i) such amounts received will be applied to amounts owed by Lessee hereunder, with any surplus paid to Lessee, and (ii) Lessor shall only exercise such right if any permitted Leasehold Mortgagee has not elected to exercise its remedies as provided herein within the time periods provided therein. If any Subtenant of Lessee provides written notice to Lessor that it has entered into a sublease for Subleased Space at the Premises and provides a notice address for Subtenant and a copy of the sublease (which the Subtenant may redact to remove economic terms to prevent them becoming public records), then Lessor agrees to provide such Subtenant with notice of a default by Lessee hereunder. In the event Lessor elects to terminate the Lease due to a Default by Lessee, any Sublease shall automatically become a direct lease between Lessor and the Subtenant, subject to all terms and conditions of such sublease and the terms of this Lease as properly applicable to such Subtenant, without further action by any Party.

22.3. Paramount Title of Lessor. Notwithstanding any provision of this Lease, and notwithstanding any consent or approval which Lessor may give to any assignment, sublease, encumbrance or other transfer, all such interests shall be subordinate to Lessor's paramount fee simple title to the Premises, and all such interests shall be subject to extinguishment by Lessor's exercise of any termination rights accorded to Lessor under this Lease or expiration of this Lease.

23. **[Intentionally Deleted.]**

24. **Leasehold and Improvements Mortgages**

24.1. **Improvements Mortgage.**

24.1.1. Right to Encumber the Improvements. Lessee shall have the right at any time and from time to time to encumber the Improvements by a mortgage, deed of trust or other security instrument (any such mortgage, deed of trust or other security instrument that satisfies the requirements of this Section 24.1 being herein referred to as an “**Improvements Mortgage**”) to secure repayment of Lessee’s loan for the purchase of financing the construction of any Improvements made pursuant to the terms of this Lease or for the long-term financing of any such Improvements, provided that the indebtedness secured by an Improvements Mortgage shall (A) not exceed \$65,000,000.00 and (B) be payable over not more than the remaining portion of the Term.

24.1.2. Subordination. Lessor hereby subordinates to the lien of any Improvements Mortgage, any lien of Lessor in the Leasehold Improvements and personalty of Lessee, if any, (but not the Land) provided for in this Lease. Lessor hereby consents to any Improvements Mortgagee entering the Premises for the purpose of exercising its rights and remedies under any Improvements Mortgage, including, without limitation, removing equipment, trade fixtures and other personal property from the Premises.

24.2. **Leasehold Mortgage.**

24.2.1. Right to Encumber the Land. Notwithstanding the provisions of Section 22

regarding Transfers of this Lease, but subject to the provisions of this Section 24, Lessee shall have the right at any time and from time to time to encumber the entire (but not less than the entire) leasehold estate created by this Lease and Lessee's interest in the Premises by a mortgage, deed of trust or other security instrument (any such mortgage, deed of trust, or other security instrument that satisfies the requirements of this Section 24.2 being herein referred to as a "**Leasehold Mortgage**") to secure repayment of Lessee's loan for the purpose of financing the construction of any Improvements made pursuant to the terms of this Lease or for the long-term financing of any such Improvements, provided that the indebtedness secured by a Leasehold Mortgage shall (A) not exceed \$65,000,000.00 and (B) be payable over not more than the remaining portion of the Term. Copies of all such documents evidencing and/or securing the Leasehold Mortgage shall be provided to and shall be approved by Lessor which approval shall not be unreasonably withheld, delayed or conditioned.

24.2.2. No Subordination of Fee. In no event shall Lessor's fee interest in the Land be subject or subordinate to any lien or encumbrance of any mortgage, deed of trust or other security instrument.

24.3. Notice to Lessor.

24.3.1. Required Notice. Each time Lessee enters into a Leasehold Mortgage, Lessee shall require the holder of such Leasehold Mortgage to provide Lessor with notice of such Leasehold Mortgage, together with a true copy of such Leasehold Mortgage and the name and address of the Leasehold Mortgagee. The provisions of this Section 24 shall apply in respect to such Leasehold Mortgage. In the event of any assignment of a Leasehold Mortgage or in the event of a change of address of a Leasehold Mortgagee or of an assignee of such Leasehold Mortgagee, notice of the new name and address shall be provided to Lessor. Lessee shall thereafter with reasonable promptness also provide Lessor from time to time with a copy of each material amendment, modification or supplement to such instruments.

24.4. **Protection of Leasehold Mortgagees**. If Lessee shall mortgage Lessee's interest in the Improvements under this Lease in compliance with the provisions of Sections 24.2 and 24.3, then so long as any such Leasehold Mortgage shall remain unsatisfied of record, the following provisions shall apply:

24.4.1. Consent. No cancellation, surrender or modification of this Lease shall be effective as to any Leasehold Mortgagee unless consented to in writing by such Leasehold Mortgagee.

24.4.2. Notice of Default. Lessor, upon providing Lessee any notice of (a) any default under this Lease, (b) a termination of this Lease, or (c) a matter on which Lessor may predicate or claim a default, shall at the same time provide a copy of such notice to every Leasehold Mortgagee of which Lessor has been provided notice in accordance with Section 24.3 hereof. Lessor shall have no liability for the failure to give any such notice, except that no such notice by Lessor to Lessee shall be deemed to have been duly given unless and until a copy thereof has been so provided to every Leasehold Mortgagee of which Lessor has been provided notice in accordance with Section 24.3 hereof. From and after such notice has been given to a Leasehold Mortgagee, such Leasehold Mortgagee shall have the same period, after the giving of such notice upon it, for remedying any default or acts or omissions which are the subject matter of such notice, or causing the same to be remedied, as is given Lessee after the giving of such notice to Lessee, plus in each instance, the additional periods of time specified in Sections 24.4 and 24.5 hereof to remedy, commence remedying or cause to be remedied, the defaults or acts or omissions which are specified in such notice. Lessor shall accept such performance by or at the instigation of such Leasehold Mortgagee as if the same had been done by Lessee. Lessee authorizes each Leasehold Mortgagee to take any such action at such Leasehold Mortgagee's option and does hereby authorize entry upon the Premises by the Leasehold Mortgagee for such purpose.

24.4.3. Second Notice to Leasehold Mortgagee. Anything contained in this Lease to the contrary notwithstanding, if any Event of Default shall occur which entitles Lessor to terminate this Lease, Lessor shall have no right to terminate this Lease unless, following the expiration of the period of time given Lessee to cure such Event of Default or the act or omission which gave rise to such Event of Default, Lessor shall notify every Leasehold Mortgagee of Lessor's intent to so terminate at least one hundred eighty (180) days in advance of the proposed effective date of such termination. The provisions of Section 24.5 hereof shall apply only if, during such one hundred eighty (180) day termination notice period, any Leasehold Mortgagee shall:

24.4.3.1. Notify Lessor of such Leasehold Mortgagee's desire to nullify such Notice; and

24.4.3.2. Pay or cause to be paid all Rent and other payments (i) then due and in arrears as specified in the termination notice to such Leasehold Mortgagee and (ii) any of the same which become due during such one hundred eighty (180) day period as and when they become due; and

24.4.3.3. Comply or in good faith, with reasonable diligence and continuity, commence to comply with all non-monetary requirements of this Lease then in default and reasonably susceptible of being complied with by such Leasehold Mortgagee; provided, however, that such Leasehold Mortgagee shall not be required during such one hundred eighty (180) day period to cure or commence to cure any Event of Default consisting of (i) Lessee's failure to satisfy and discharge any lien, charge or encumbrance against Lessee's interest in this Lease or the Premises junior in priority to the lien of the mortgage held by such Leasehold Mortgagee, or (ii) past non-monetary obligations then in default and not reasonably susceptible of being cured by such Leasehold Mortgagee, such as, by way of example only, the bankruptcy of Lessee or a court-ordered stay or injunction. If such Leasehold Mortgagee has not completed the cure within three hundred sixty five (365) days after the later to occur of (A) the receipt of Lessor's termination notice or (B) three hundred sixty five (365) days after the date that any court with jurisdiction over Lessee or the Premises releases any stay, order or injunction, Lessor shall have the right to terminate this Lease upon written notice to Lessee and such Leasehold Mortgagee.

24.4.3.4. If more than one Leasehold Mortgagee notifies Lessor of such Leasehold Mortgagee's desire to nullify such notice, the Leasehold Mortgagee whose Leasehold Mortgage is prior in lien (as determined in accordance with Section 24.6) shall have the right to nullify such notice and Lessor without liability to Lessee or any Leasehold Mortgage with a subordinate lien shall accept the cure tendered by the Leasehold Mortgagee whose Leasehold Mortgage is prior in lien.

24.5. Procedure on Default.

24.5.1. Cure of Default. If Lessor shall elect to terminate this Lease by reason of any Event of Default, and a Leasehold Mortgagee shall have proceeded in the manner provided for by Section 24.4.3, this Lease shall not be deemed terminated so long as such Leasehold Mortgagee shall:

24.5.1.1. Pay or cause to be paid the Rent and other monetary obligations of Lessee under this Lease as the same become due, and continue its good faith efforts to perform all of Lessee's other obligations under this Lease excepting (A) obligations of Lessee to satisfy or otherwise discharge any lien, charge or encumbrance against Lessee's interest in this Lease or the Premises junior in priority to the lien of the Leasehold Mortgage held by such Leasehold Mortgagee, and (B) past non-monetary obligations then in default and not reasonably susceptible of being cured by such Leasehold Mortgagee, such as, by way of example only, the bankruptcy of Lessee; and

24.5.1.2. If not enjoined or stayed, take steps to acquire or sell Lessee's

interest in this Lease by foreclosure of the Leasehold Mortgage or other appropriate means and prosecute the same with due diligence within the time period described in Section 24.4.3.3. Nothing in this Section 24.5.1.2, however, shall be construed to extend this Lease beyond the original Term hereof, nor to require a Leasehold Mortgagee to continue such foreclosure proceedings after the Event of Default has been cured. If the Event of Default shall be cured and the Leasehold Mortgagee shall discontinue such foreclosure proceedings, this Lease shall continue in full force and effect as if Lessee had not defaulted under this Lease.

24.5.2. Lease Remains in Effect. If a Leasehold Mortgagee is complying with Section 24.5(a), upon the acquisition of the Premises herein by such Leasehold Mortgagee or its designee or any other purchaser at a foreclosure sale or otherwise and the discharge of any lien, charge or encumbrance against Lessee's interest in this Lease or the Premises which is junior in priority to the lien of the Leasehold Mortgage held by such Leasehold Mortgagee and which Lessee is obligated to satisfy and discharge by reason of the terms of this Lease, this Lease shall continue in full force and effect as if Lessee had not defaulted under this Lease.

24.5.3. Assumption of Lease. The making of a Leasehold Mortgage shall not be deemed to constitute an assignment or transfer of Lessee's interest under this Lease or the leasehold estate hereby created, nor shall any Leasehold Mortgagee, as such, be deemed to be an assignee or transferee of Lessee's interest under this Lease or of the leasehold estate hereby created so as to require such Leasehold Mortgagee, as such, to assume the performance of any of the terms, covenants or conditions on the part of Lessee to be performed hereunder. Notwithstanding the foregoing, the purchaser at any sale of Lessee's interest under this Lease and of the leasehold estate hereby created in any proceedings for the foreclosure of any Leasehold Mortgage, or the assignee or transferee of the Lessee's rights under this Lease and of the leasehold estate hereby created under any instrument of assignment or transfer in lieu of the foreclosure of any Leasehold Mortgage, including, without limitation, a Leasehold Mortgagee, shall be deemed to be an assignee or transferee within the meaning of this Section 24.5 and shall be deemed to have agreed to perform all of the terms, covenants and conditions on the part of Lessee to be performed hereunder from and after the date of such purchase and assignment only for as long as such purchaser or assignee is the holder of this leasehold estate.

24.6. **New Lease**. In the event of the termination of this Lease as a result of an Event of Default that has not been cured by either Lessee or the Leasehold Mortgagee, Lessor shall promptly, within a reasonable time, provide each Leasehold Mortgagee with written notice that the Lease has been terminated (the "**New Lease Notice**"), together with a statement of all sums which would at that time be due under this Lease but for such termination and of all other defaults, if any, then known to Lessor. Lessor agrees to enter into a new lease (the "**New Lease**") of the Premises with such Leasehold Mortgagee or its affiliated designee for the remainder of the Term of this Lease, effective as of the date of termination, at the same Rent and upon the terms, covenants and conditions of this Lease; provided:

24.6.1. Such Leasehold Mortgagee shall make written request upon Lessor for such New Lease within sixty (60) days after the date such Leasehold Mortgagee receives Lessor's New Lease Notice given pursuant to this Section 24.6.

24.6.2. Such Leasehold Mortgagee or such affiliated designee shall agree to remedy any of Lessee's defaults of which such Leasehold Mortgagee was notified by Lessor's New Lease Notice and which are reasonably capable of being so cured by Leasehold Mortgagee or such designee.

24.6.3. Any New Lease made pursuant to this Section 24.6 shall have the same priority with respect to any mortgage or other lien, charge or encumbrance on the Premises as this Lease, and the tenant under such New Lease shall have the same right, title and interest in and to the Premises and the

Leasehold Improvements as Lessee had under this Lease as of the date of the New Lease.

24.7. **Conflicting Priorities.** If more than one Leasehold Mortgagee shall seek to nullify a notice in accordance with Section 24.4.3.3 above or request a New Lease pursuant to Section 24.6, the Leasehold Mortgagee whose Leasehold Mortgage is prior in lien, or with the designee of such Leasehold Mortgagee, shall have the right to nullify such notice or obtain such New Lease. Lessor, without liability to Lessee or any Leasehold Mortgagee with an adverse claim, may rely upon a mortgagee title insurance policy issued by a responsible title insurance company doing business in the state where the Premises is located as the basis for determining the appropriate Leasehold Mortgagee who is entitled to nullify such notice or obtain the New Lease.

24.8. **Certain Defaults.** Nothing herein contained shall require any Leasehold Mortgagee or its designee as a condition to its exercise of rights hereunder to cure any Event of Default which by its terms is not reasonably susceptible of being cured by such Leasehold Mortgagee or such designee in order to comply with the provisions of Sections 24.4 or 24.5. The financial condition of any Leasehold Mortgagee or successor to Lessee's interest under this Lease or a new lease entered into pursuant to Section 24.15.2 shall not be a consideration in the determination of the reasonable susceptibility of cure of such Event of Default. No Event of Default, the cure of which, and no obligation of Lessee, the performance of which, requires possession of the Premises shall be deemed reasonably susceptible of cure or performance by any Leasehold Mortgagee or successor to Lessee's interest under this Lease not in possession of the Premises, provided such holder is complying with the requirements described in Section 24.5.1 hereof and, upon obtaining possession, promptly proceeds to cure any such Event of Default then reasonably susceptible of cure by such Leasehold Mortgagee or successor. No Leasehold Mortgagee shall be required to cure the bankruptcy, insolvency or any related or similar condition of Lessee.

24.9. **Eminent Domain.** Lessee's share, as provided in Section 21 of this Lease, of the proceeds arising from an exercise of the power of eminent domain shall, subject to the provisions of Section 21, be disposed of as provided for by any Leasehold Mortgage.

24.10. **Insurance.** A standard mortgagee clause naming each Leasehold Mortgagee as "loss payee" shall be added to any and all insurance policies required to be carried by Lessee hereunder. Any such insurance proceeds shall, subject to the provisions of Section 21, be disposed of as provided for by any Leasehold Mortgage.

24.11. **Legal Proceedings.** Lessor shall give each Leasehold Mortgagee of which Lessor has written notice prompt notice of any dispute resolution or legal proceedings between Lessor and Lessee involving obligations under this Lease. Each such Leasehold Mortgagee shall have the right to intervene, within sixty (60) days after receipt of such notice of dispute resolution or legal proceedings, in any such proceedings and be made a party to such proceedings, and the parties hereto do hereby consent to such intervention. Any intervening Leasehold Mortgagee shall be bound by the outcome of such proceedings. In the event that any Leasehold Mortgagee shall not elect to intervene or become a party to any such proceedings, Lessor shall give the Leasehold Mortgagee notice of, and a copy of any award or decision made in any such proceedings, which shall be binding on all Leasehold Mortgagees not intervening after receipt of Notice of such proceedings.

24.12. **No Merger.** So long as any Leasehold Mortgage is in existence, unless all Leasehold Mortgagees shall otherwise expressly consent in writing, the fee title to the Premises and the leasehold estate of Lessee therein created by this Lease shall not merge but shall remain separate and distinct, notwithstanding the acquisition of said fee title and said leasehold estate by Lessor or by Lessee or by a third party, by purchase or otherwise.

24.13. **Notices.** Notices from Lessor to the Leasehold Mortgagee shall be mailed to the address furnished Lessor pursuant to Section 24.4 and those from the Leasehold Mortgagee to Lessor shall be mailed to the address designated pursuant to the provisions of Section 32 hereof, as the same may be amended from time to time. All notices from any Leasehold Mortgagee or Lessor shall be given in the manner described in Section 32 and shall in all respects be governed by the provisions of that section.

24.14. **Erroneous Payments.** No payment made to Lessor by a Leasehold Mortgagee shall constitute agreement that such payment was, in fact, due under the terms of this Lease; and any Leasehold Mortgagee having made any payment to Lessor pursuant to Lessor's wrongful, improper or mistaken notice or demand shall be entitled to the return of any such payment or portion thereof provided the Leasehold Mortgagee shall have made demand therefor not later than twelve (12) months after the date of its payment.

24.15. **Bankruptcy.** In the event of any proceeding by either Lessor or Lessee under the United States Bankruptcy Code (Title 11 U.S.C.) as now or hereafter in effect:

24.15.1. Rejection of Lease by Lessee. If this Lease is rejected in connection with a bankruptcy proceeding by Lessee or a trustee in bankruptcy for Lessee, such rejection shall be deemed an assignment by Lessee to the Leasehold Mortgagee (or if there is more than one Leasehold Mortgagee, to the one highest in priority) of the leasehold estate and all of Lessee's interest under this Lease, in the nature of an assignment in lieu of foreclosure, and this Lease shall not terminate, unless such Leasehold Mortgagee shall reject such deemed assignment by notice in writing to Lessor within thirty (30) days following the later of (i) rejection of the Lease by Lessee or Lessee's trustee in bankruptcy or (ii) approval of such rejection by the bankruptcy court. If any court of competent jurisdiction shall determine that this Lease shall have been terminated notwithstanding the terms of the preceding sentence as a result of rejection by Lessee or the trustee in connection with any such proceeding, the rights of any Leasehold Mortgagee to a new lease from Lessor pursuant to Section 24.6 hereof shall not be affected thereby.

24.15.2. Termination of Lease by Lessor. If this Lease is rejected or otherwise terminated in connection with a bankruptcy proceeding by Lessor or by Lessor's trustee in bankruptcy:

24.15.2.1. Lessee shall not have the right to treat this Lease as terminated except with the prior written consent of all Leasehold Mortgagees and the right to treat this Lease as terminated in such event shall be deemed assigned to each and every Leasehold Mortgagee, whether or not specifically set forth in any such Leasehold Mortgage, so that the concurrence in writing of Lessee and each Leasehold Mortgagee shall be required as a condition to treating this Lease as terminated in connection with such proceeding.

24.15.2.2. Unless this Lease is treated as terminated in accordance with Section 24.15.1, this Lease shall continue in effect upon all the terms and conditions set forth herein, including Rent, but excluding requirements that are not then applicable or pertinent to the remainder of the Term. The lien of any Leasehold Mortgage then in effect shall extend to the continuing possessory rights of Lessee following such rejection or other termination with the same priority as it would have enjoyed had such rejection or other termination not taken place.

24.15.3. If, in any bankruptcy or similar proceeding in which Lessor is the debtor, the Premises are sold or proposed to be sold free and clear of the interests of Lessee under this Lease, each of Lessee and any Leasehold Mortgagee shall be entitled to: (i) receive prior written notice of such proposed sale not less than ten (10) Business Days prior to the earliest date such sale or proposed sale is to or could occur; (ii) contest such sale or proposed sale; and (iii) petition for and receive adequate protection of their respective interests under this Lease, it being acknowledged and agreed that monetary damages are not, and will not be, adequate protection thereof.

24.16. Rights Against Lessee. The rights of a Leasehold Mortgagee hereunder shall not diminish any right or claim of Lessor against Lessee for damages or other monetary relief under this Lease; provided, however, such rights and claims of Lessor against Lessee shall, subject to the terms of this Lease, be subordinated to Leasehold Mortgagee's rights and claims against Lessee under the Leasehold Mortgage.

24.17. Lease Amendments or Recognition Agreement Requested by Leasehold Mortgagee. In the event a Leasehold Mortgagee desires amendments to this Section 24 or desires to enter into a recognition agreement with Lessor, then Lessor agrees to negotiate in good faith any commercially reasonable amendment or recognition agreement; provided that the form and content of such amendment or recognition agreement is not unreasonable and that such proposed amendment or recognition agreement does not reduce the Rent hereunder or otherwise adversely affect the rights of Lessor hereunder or its interest in the Premises, as determined by Lessor in its reasonable discretion. All reasonable expenses incurred by Lessor in connection with any such amendment or recognition agreement shall be paid by Lessee.

24.18. Lessor Purchase Right in the Event of Foreclosure.

In the event a Leasehold Mortgagee desires to transfer the leasehold interest in the Premises by foreclosure sale, accept a deed in lieu of foreclosure, or acquire Lessee's interest in this Lease by other means, the Leasehold Mortgagee shall provide Lessor no less than thirty (30) days prior written notice of its intention to exercise such right and Lessor shall have the right exercisable within thirty (30) days after receipt of such written notice to elect to acquire the entire interest in the loan and the Leasehold Mortgage for a price equal to the outstanding unpaid balance of principal and interest and premium, if any, of the indebtedness secured by the Leasehold Mortgage, sum of the outstanding unpaid balance of the indebtedness secured by the Leasehold Mortgage, together with any other amounts due and unpaid under the Leasehold Mortgage. The closing shall occur within thirty (30) days after the date of the election through escrow at a title company selected by Lessor and reasonably acceptable to Leasehold Mortgagee. At the closing, Lessor shall deliver to the Leasehold Mortgagee through escrow the purchase price equal to the outstanding unpaid balance of principal and interest and premium, if any, of the indebtedness secured by the Leasehold Mortgage, and Leasehold Mortgagee shall assign to Lessor all of its right, title and interest in the loan and the Leasehold Mortgage pursuant to documentation reasonably satisfactory to Lessor and the Leasehold Mortgagee. If Lessor fails to deliver into escrow the required funds with said thirty (30) day period with instructions to deliver said funds to Leasehold Mortgagee conditioned only upon receipt of the documentation necessary to enable the title company to insure Lessor as the sole beneficiary of the Leasehold Mortgage, the Leasehold Mortgagee shall be entitled to pursue its rights to acquire or transfer the leasehold estate pursuant to this Lease and the Leasehold Mortgage. If Lessor delivers said funds as required herein, the Leasehold Mortgagee's rights under this Lease and the Leasehold Mortgage shall terminate and be of no further force and effect.

25. Events of Default and Remedies

25.1. Events of Default. The occurrence of any of the following shall be an "Event of Default" on the part of Lessee hereunder:

25.1.1. Failure to pay Rent or any other sums of money that Lessee is required to pay hereunder at the times or in the manner herein provided, when such failure shall continue for a period of fifteen (15) Business Days after written notice thereof from Lessor to Lessee. No such notice shall be deemed a forfeiture or a termination of this Lease.

25.1.2. Failure to perform any nonmonetary provision of this Lease when, except in the

case of any provision which by its terms provides for no grace period, such failure shall continue for a period of thirty (30) days, or such other period as is expressly set forth herein, after written notice thereof from Lessor to Lessee; provided that if the nature of the default is such that more than thirty (30) days are reasonably required for its cure, then an Event of Default shall not be deemed to have occurred if Lessee shall commence such cure within said thirty (30) day period and thereafter diligently and continuously prosecute such cure to completion. No such notice shall be deemed a forfeiture or a termination of this Lease unless Lessor expressly so elects in such notice.

25.1.3. The abandonment of the Premises by reason of a course of conduct by Lessee that reasonably evidences an intent to permanently relinquish its rights under this Lease.

25.1.4. Lessee shall admit in writing its inability to pay its debts generally as they become due, file a petition in bankruptcy, insolvency, reorganization, readjustment of debt, dissolution or liquidation under any law or statute of any government or any subdivision thereof either now or hereafter in effect, make an assignment for the benefit of its creditors, consent to or acquiesce in the appointment of a receiver of itself or of the whole or any substantial part of the Premises.

25.1.5. A court of competent jurisdiction shall enter an order, judgment or decree appointing a receiver of Lessee or of the whole or any substantial part of the Premises and such order, judgment or decree shall not be vacated, set aside or stayed within sixty (60) days after the date of entry of such order, judgment, or decree, or a stay thereof shall be thereafter set aside and the receivership not thereafter vacated or set aside within sixty (60) days of the set aside of the stay.

25.1.6. A court of competent jurisdiction shall enter an order, judgment or decree approving a petition filed against Lessee under any bankruptcy, insolvency, reorganization, readjustment of debt, dissolution or liquidation law or statute of the Federal government or any state government or any subdivision of either now or hereafter in effect, and such order, judgment or decree shall not be vacated, set aside or stayed within sixty (60) days from the date of entry of such order, judgment or decree, or a stay thereof shall be thereafter set aside.

25.2. **Lessor's Remedies.** Upon the occurrence of an Event of Default, Lessor shall have the following rights and remedies, subject to the rights of a Leasehold Mortgagee as set forth in Section 24 above:

25.2.1. The right to terminate this Lease, in which event Lessee shall immediately surrender possession of the Premises in accordance with Section 27. In the event Lessee fails to surrender possession, Lessor shall have the right to terminate Lessee's right to possession by any lawful means. In such event Lessor shall be entitled to recover from Lessee all damages incurred by Lessor by reason of Lessee's default, including without limitation thereto, the following: (i) the worth at the time of award of any unpaid Rent that had been earned at the time of such termination; plus (ii) the worth at the time of award of the amount by which the unpaid Rent that would have been earned after termination until the time of award exceeds the amount of such rental loss that Lessee proves could have been reasonably avoided; plus (iii) the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of such rental loss that Lessee proves could be reasonably avoided; plus (iv) any other amount necessary to compensate Lessor for all damages proximately caused by Lessee's failure to perform its obligations under this Lease or which in the ordinary course of events would be likely to result therefrom, including, without limitation, (A) the unamortized portion of any brokerage or real estate agent's commissions paid in connection with the execution of this Lease, (B) any direct costs or expenses incurred by Lessor in recovering possession of the Premises, maintaining or preserving the Premises after such default, including Lessor's Administrative Fees, (C) preparing the Premises for marketing to a new lessee, (D) any repairs or alterations to the Premises for such marketing,

(E) leasing commissions, architect's fees and any other costs necessary or appropriate either to relet the Premises or, if reasonably necessary in order to relet the Premises, to adapt them to another beneficial use by Lessor and (F) such amounts in addition to or in lieu of the foregoing as may be permitted from time to time by Applicable Law to the extent that such payment would not result in a duplicative recovery. As used in (i) above, the "worth at the time of award" is computed by allowing interest at the Interest Rate.

25.2.2. The right to maintain this Lease in full force and effect and recover the Rent, and other monetary charges as they become due, without terminating Lessee's right to possession irrespective of whether Lessee shall have abandoned the Premises. In the event Lessor elects not to terminate this Lease, Lessor shall use commercially reasonable efforts to relet the Premises at such rent and upon such conditions and for such a term, and to do all acts necessary to maintain or preserve the Premises as Lessor deems reasonable and necessary without being deemed to have elected to terminate this Lease, including removal of all persons and property from the Premises. Such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Lessee. If Lessor relets the Premises or any portion thereof, such reletting shall not relieve Lessee of any obligation hereunder, except that Lessor shall apply the rent or other proceeds actually collected by it as a result of such reletting against any amounts due from Lessee hereunder, less any expenses incurred by Lessor in collecting such rents and arranging for or providing such services or fulfilling such obligations.

25.2.3. The right and power, as attorney-in-fact for Lessee, to enter and to sublet the Premises upon any vacancy while an Event of Default is outstanding, and Lessor is hereby authorized on behalf of Lessee, but shall have absolutely no obligation, to provide such services and fulfill such obligations and to incur all such expenses and costs as Lessor deems necessary in connection therewith. Lessee shall be liable immediately to Lessor for all costs and expenses Lessor incurs in collecting such rents and arranging for or providing such services or fulfilling such obligations. Lessor is hereby authorized, but not obligated, to relet the Premises or any part thereof on behalf of Lessee, to incur such expenses as may be necessary to effect a relet and make said relet for such term or terms, upon such conditions and at such rental as Lessor in its sole discretion may deem proper. Lessee shall be liable immediately to Lessor for all reasonable costs Lessor incurs in reletting the Premises including, without limitation, brokers' commissions, expenses of remodeling the Premises required by the reletting, and other costs. If Lessor relets the Premises or any portion thereof, such reletting shall not relieve Lessee of any obligation hereunder, except that Lessor shall apply the rent or other proceeds actually collected by it as a result of such reletting against any amounts due from Lessee hereunder to the extent that such rent or other proceeds compensate Lessor for the nonperformance of any obligation of Lessee hereunder. Such payments by Lessee shall be due at such times as are provided elsewhere in this Lease, and Lessor need not wait until the termination of this Lease, by expiration of the Term hereof or otherwise, to recover them by legal action or in any other manner. Lessor may execute any lease made pursuant hereto in its own name, and the lessee thereunder shall be under no obligation to see to the application by Lessor of any rent or other proceeds, nor shall Lessee have any right to collect any such rent or other proceeds. Lessor shall not by any reentry or other act be deemed to have accepted any surrender by Lessee of the Premises or Lessee's interest therein, or be deemed to have otherwise terminated this Lease, or to have relieved Lessee of any obligation hereunder, unless Lessor shall have given Lessee express written notice of Lessor's election to do so as set forth herein.

25.2.4. The right to have a receiver appointed upon application by Lessor to take possession of the Premises and to collect the rents or profits therefrom and to exercise all other rights and remedies pursuant to Section 25.2.3.

25.2.5. The right to enjoin, and any other remedy or right now or hereafter available to a lessor against a defaulting lessee under the laws of the State of Washington or the equitable powers of its courts, and not otherwise specifically reserved herein.

25.2.6. Whether or not this Lease is terminated, the right to recover actual damages incurred by Lessor arising out of the Event of Default, or due to Lessee's failure to indemnify Lessor pursuant to Section 20.1.

25.2.7. In the event of Lessee's failure to surrender possession of the Premises as of the Termination Date, and in addition to the Claims described in Section 20.1, the right to collect Rent during any holdover period in the amount of one hundred ten percent (110%) of the fair market rental value of the Premises as of the Termination Date.

25.3. **Rights Cumulative.** The various rights and remedies reserved to Lessor herein, including those not specifically described herein, shall be cumulative and shall be in addition to every other right or remedy provided for in this Lease or now or hereafter existing at law or in equity and the exercise of the rights or remedies provided for in this Lease or now or hereafter existing at law or in equity shall not preclude the simultaneous or later exercise by Lessor of any or all other rights and remedies.

25.4. **Lessor's Default.** Lessor shall be in default under this Lease if Lessor fails to cure any breach of its obligations under this Lease within thirty (30) days after receipt of written notice from Lessee specifying in reasonable detail the nature of Lessor's breach; provided, however, that if the nature of Lessor's breach is such that more than thirty (30) days are required for performance, then Lessor shall not be in default if Lessor commences the cure of such breach within such thirty (30) day period and thereafter diligently prosecutes the same to completion. Lessee shall be entitled to actual (but not consequential) damages in the event of an uncured default by Lessor, but shall not have any right to terminate this Lease as a result of any Lessor default.

25.5. **No Recourse to Lessor.** In no event shall Lessor or any Lessor Parties have any personal liability to Lessee under this Lease, and Lessee shall look solely to the equity of Lessor in the Premises at the time of any breach or default for the satisfaction of any claim Lessee may have against Lessor. This exculpation of personal liability shall be absolute and without any exception whatsoever.

26. **Lessor's Right to Cure Defaults**

If Lessee shall fail or neglect to do or perform any act or thing herein provided by it to be done or performed and such failure shall not be cured within any applicable grace period provided in Section 25, then Lessor shall have the right, but shall have no obligation, to pay any amounts payable by Lessee to third parties hereunder, discharge any lien, take out, pay for and maintain any insurance required under Section 19, or do or perform or cause to be done or performed any such other act or thing (entering upon the Premises for such purposes, if Lessor shall so elect), and Lessor shall not be or be held liable or in any way responsible for any loss, disturbance, inconvenience, annoyance or damage resulting to Lessee on account thereof (except to the extent of Lessor's gross negligence or willful misconduct), and Lessee shall repay to Lessor upon demand the entire cost and expense thereof, including, without limitation, Lessor's Administrative Fees. Lessor may act upon shorter notice or no notice at all if necessary in Lessor's judgment to meet an emergency situation or governmental or municipal time limitation. Lessor shall not be required to inquire into the correctness of the amount or validity of any payable or lien that may be paid by Lessor, and Lessor shall be duly protected in paying the amount of any such payable or lien claimed, and, in such event, Lessor shall also have the full authority, in Lessor's sole judgment and discretion and without prior notice to or approval by Lessee, to settle or compromise any such lien or payable. Any act or thing done by Lessor pursuant to the provisions of this Section 26 shall not be or be construed as a waiver of any default by Lessee, or as a waiver of any term, covenant, agreement or condition herein contained or of the performance thereof. Except in the case of an emergency situation or governmental or municipal time limitation, Lessor shall not exercise its rights hereunder until Lessor has given Lessee written notice of such

default, and Lessee has failed to cure such default with thirty (30) days following the date of such notice from Lessor.

27. Surrender of The Premises

27.1. **Surrender.** Upon the termination of this Lease, whether at the expiration of the Term or prior thereto, Lessee shall surrender the Premises to Lessor in the condition in which the Premises is required to be maintained pursuant to the terms of this Lease, free and clear of all letting and occupancies other than any subleases Lessor has elected to recognize after such termination, and free and clear of all Liens or any other encumbrances, other than Liens Lessor has placed on the Premises.

27.2. **Extinguishment of the Lessee's Rights.** Upon the Expiration Date or earlier termination of this Lease (excluding as a result of Lessor's exercise of the Option to Purchase as set forth in Section 5.2 and 37), ("**Termination Date**"), all rights and interests of the Lessee in and to the Premises, and all persons whomsoever claiming by, through, or under the Lessee, shall immediately cease and terminate, and the Premises, including all improvements, engines, machinery, generators, boilers, furnaces, elevators, fire escapes, and all lifting, lighting, heating, cooling, refrigerating, air conditioning, ventilating, gas, electric and plumbing apparatus, appliances and fixtures, as well as other fixtures attached to or within the Premises, and all personal property located thereon, shall thence forward constitute and belong to and be the absolute property of the Lessor, without further act or conveyance, and without liability to make such compensation to the Lessee or to anyone whomsoever, and free and discharged from all and every lien, encumbrance, claim and charge of any character created or attempted to be created by the Lessee at any time. Lessee agrees, at the termination of this Lease, to surrender unto Lessor, the Premises, including the Improvements located thereon, in the same condition as when the construction of the Improvements were completed, only natural and normal wear and tear excepted. Upon or at any time after the Expiration Date, if requested by Lessor, Lessee shall, without charge to Lessor, promptly execute, acknowledge and deliver to Lessor a good and sufficient quitclaim deed of all of Lessee's right, title, and interest in and to the Premises, and in any contracts relating to the operation, management, maintenance or leasing of the Premises or any part thereof, and shall deliver to Lessor all such other instruments, records and documents relating to the operation, management, maintenance or leasing of the Premises or any part thereof, including but not limited to all leases, lease files, plans and specifications, records, registers, permits, and all other papers and documents which may be necessary or appropriate for the proper operation and management of the Premises. Following such termination of the Lease, Lessee hereby irrevocably appoints Lessor as its lawful attorney-in-fact to execute and deliver for, on behalf of and in the name of Lessee, any such deed, assignment or other instrument referred to in this Section 27 or otherwise, required to document the transfer or reversion to Lessor of such interests of Lessee, and Lessee and Lessor agree that such power of attorney shall be a power coupled with an interest. Lessee agrees to indemnify, protect, defend, and hold harmless Lessor from and against any and all losses, costs, damages, claims, liabilities and expenses arising directly or indirectly, in whole or in part, out of any obligations or liabilities incurred by Lessee prior to the Termination Date with respect to any such items so assigned to Lessor. Any contracts, agreements or other obligations of Lessee relating to the Premises not designated by Lessor and assigned by Lessee to Lessor pursuant to this Section 27 shall immediately terminate and be of no further force or effect as of the Termination Date.

27.3. **Personal Property.** Any personal property of Lessee that remains on the Premises after the Termination Date may, at the option of Lessor, be deemed to have been abandoned by Lessee and may either be retained by Lessor as its property or disposed of, without accountability and at Lessee's expense, in such manner as Lessor may determine in its sole discretion.

27.4. **Holding Over.** Lessee shall have no right to remain in possession of the Premises after the Termination Date. If Lessee remains in possession of all or any part of the Premises after the Termination Date with Lessor's prior written consent: (i) Lessee's occupancy of the Premises shall be deemed a month-

to-month tenancy (not a renewal or extension of the Term), terminable by either Party upon 30 days' written notice to the other; (ii) tenant shall be liable Rent and all other expenses, obligations and payments at rates in effect for the immediately preceding year of the Term of this Lease; and (iii) Lessee's occupancy of the Premises otherwise shall be subject to all applicable terms and conditions of this Lease as if the Term had not expired or this Lease had not been terminated, as the case may be. Nothing in this Section 27.4 shall be deemed or construed as a consent by Lessor to any holding over by Lessee.

28. Signs; Naming Policy

28.1. Signage. All signage, including any corporate signage, shall be at Lessee's sole cost and expense and subject to Lessor's approval, which shall not be unreasonably withheld, conditioned or delayed. Interior signs that are visible from the exterior of the Premises shall be subject to Lessor's written approval, which shall not be unreasonably withheld, conditioned or delayed. All signage must comply with Lessor's signage criteria, as the same may be changed from time to time with notice to Lessee and which may be different than as may be required under municipal ordinance; provided that any Lessee signage that pre-existed Lessor's modified criteria may remain affixed to the Premises during the Term of this Agreement. Lessor's signage criteria is set forth in Schedule 1 attached hereto and incorporated herein. Notwithstanding anything to the contrary set forth herein, Lessee shall have the right to install signage that is illuminated and contains digital and/or motion effects subject to Lessor's signage criteria. In deciding whether to grant or deny its consent, Lessor may consider, without limitation, the size, location, design, color and lighting of any proposed exterior sign. Any exterior sign must comply with all Applicable Laws and covenants whether recorded or unrecorded. Upon expiration or earlier termination of this Agreement, upon the Lessor's request, Lessee shall remove all such signage and repair all damage caused by such removal at Lessee's expense.

28.2. Naming. Lessee shall place the (1) name of the Restaurant, (2) the Franchise name and/or logo of the "Kraken" and (3) at the option of Lessee, the name and logo of the PWHL franchise team, on the exterior of the Facility for the Term. In addition, Lessee shall have the right to place the name of corporate sponsors on the exterior of the Premises during the Term, subject to Lessor's consent, such consent not to be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Lessor shall be deemed to be acting reasonably in withholding its consent to a sponsor which has a material presence in certain specified industries as separately identified to by Lessor on the Commencement Date. Lessor shall have the right to use the name of the Facility, together with reference to the Kraken, and any Facility logo(s) incorporating the name in non-commercial Lessor communications, (b) Lessor publications, and (c) for other Lessor uses, subject to the provisions of a royalty-free license granted by Lessee or naming sponsor, whichever owns the intellectual property rights in the name and/or Facility logo(s), to effectuate this right. Lessor shall have the right to have signage on the exterior of the Facility with respect to the Community Center; provided that any external signage for the Community Center shall be secondary in scope to the naming rights signage and may be proposed by either Party and reasonably approved by the non-proposing Party. Nothing in this Lease limits the right of Lessee to designate names, whether commercial, commemorative or otherwise, for any discrete and limited portion of the Premises (other than the name of the Facility) in its sole discretion during the Term, subject to this Section 28.2. Upon termination of this Lease, Lessee's rights under this Section 28.2 shall terminate immediately upon Lessor's express written request delivered to Lessee.

29. Representations And Warranties

29.1. **Lessee's Representations and Warranties.** Lessee hereby represents and warrants to Lessor as follows:

29.1.1. Lessee is a limited liability company duly formed and validly existing under the

laws of the State of Delaware. Lessee has full limited liability power and authority to enter into and perform its obligations under this Lease and to Develop, construct and operate the Premises as contemplated by this Lease.

29.1.2. Lessee has taken all necessary action to authorize the execution, delivery and performance of this Lease and this Lease constitutes the legal, valid, and binding obligation of Lessee.

29.1.3. Lessee has the right, power, legal capacity and authority to enter into and perform its obligations under this Lease and no approvals or consents of any person are required in connection with the execution and performance of this Lease. The execution and performance of this Lease will not result in or constitute any default or event that with notice or the lapse of time or both, would be a default, breach or violation of the organizational instruments governing Lessee or any agreement or any order or decree of any court or other governmental authority to which Lessee is a party or to which it is subject.

29.1.4. There are no defaults by Lessee or any circumstances which, with the giving of notice or the passage of time, would constitute a default by Lessee, under any agreement, contract, lease, loan, or other commitment to which Lessee is a party.

29.1.5. There are no claims, demands, litigation, proceedings or governmental investigations pending or threatened against Lessee.

29.1.6. The execution and delivery of the Lease, and the consummation of the transactions contemplated by the Lease, by Lessee do not violate any provision of Applicable Law.

29.2. **Lessor's Representations and Warranties.** Lessor hereby represents and warrants to Lessee as follows:

29.2.1. Lessor is municipal corporation.

29.2.2. Lessor has taken all necessary action to authorize the execution, delivery and performance of this Lease and this Lease constitutes the legal, valid, and binding obligation of Lessor.

29.2.3. Lessor has the right, power, legal capacity and authority to enter into and perform its obligations under this Lease and no approvals or consents of any person are required in connection with the execution and performance of this Lease. The execution and performance of this Lease will not result in or constitute any default or event that with notice or the lapse of time or both, would be a default, breach or violation of the organizational instruments governing Lessor or any agreement or any order or decree of any court or other governmental authority to which Lessor is a party or to which it is subject.

29.2.4. The execution and delivery of the Lease, and the consummation of the transactions contemplated by the Lease, by Lessor do not violate any provision of Applicable Law.

30. **No Waiver by Lessor**

No failure by Lessor to insist upon the strict performance of any term, covenant, agreement, provision, condition or limitation of this Lease or to exercise any right or remedy upon a breach thereof, and no acceptance by Lessor of full or partial rent during the continuance of any such breach, shall constitute a waiver of any such breach or of such term, covenant, agreement, provision, condition or limitation. No term, covenant, agreement, provision, condition or limitation of this Lease and no breach thereof may be waived, altered or modified except by a written instrument executed by Lessor. No waiver of any breach shall affect or alter this Lease but each and every term, covenant, agreement, provision, condition and

limitation of this Lease shall continue in full force and effect with respect to any other then existing or subsequent breach.

31. No Dedication

This Lease shall not be, nor be deemed or construed to be, a dedication to the public of the Premises, the areas in which the Premises are located or the Improvements, or any portion thereof.

32. Notices

Any notice, consent or other communication required or permitted under this Lease shall be in writing and shall be delivered by hand, sent by expedited courier, sent by prepaid registered or certified mail with return receipt requested, or sent by electronic mail, and shall be deemed to have been given on the earliest of (a) receipt or refusal of receipt; (b) one (1) Business Day after delivery to an air courier for overnight expedited delivery service; (c) five (5) Business Days after the date deposited in the United States mail, registered or certified, with postage prepaid and return receipt requested (provided that such return receipt must indicate receipt at the address specified); or (d) on the day of its transmission by electronic mail if transmitted during the business hours of the place of receipt, otherwise on the next Business Day, provided that a copy of such notice, consent or other communication is also delivered pursuant to clause (b) or (c) above. All notices shall be addressed as appropriate to the addresses given in the Basic Lease Information (or to such other or further addresses as the parties may designate by notice given in accordance with this Section).

33. Nondiscrimination

Lessee will not discriminate in employment on the basis of race, age, creed, color, national origin, religion, sex, national origin, veteran or military status, marital status, families with children status, sexual orientation or the presences of any sensory, mental or physical disability in regard to any position for which the employee is qualified, in compliance with (a) Presidential Executive Order 11246, as amended, including the Equal Opportunity Clause contained therein; (b) Section 503 of the Rehabilitation Act of 1973, as amended, and the Vietnam Era Veterans Readjustment Act of 1974, as amended, and the Affirmative Action Clauses contained therein; (c) the Americans with Disabilities Act of 1990, as amended; (d) the Seattle Municipal Code; and (e) all other Applicable Laws. In its selection of tenants for the Premises, Lessee shall not discriminate on the basis of race, age, creed, color, national origin, religion, sex, veteran or military status, marital status, families with children status, sexual orientation or the presence of any sensory, mental or physical disability. Lessee will not maintain facilities which are segregated on the basis of race, color, religion, or national origin in compliance with Presidential Executive Order 11246, as amended, and will comply with the Americans with Disabilities Act of 1990, as amended, regarding its programs, services, activities and employment practices.

34. Memorandum of Lease

This Lease shall not be recorded. However, the parties hereto shall execute and acknowledge a memorandum hereof in the form attached to the Agreement to Lease, which shall be recorded concurrently with the execution of this Lease.

35. Nature of Relationship

The relationship between Lessor and Lessee shall be solely that of landlord and tenant. Nothing contained in this Lease shall be deemed or construed to create a partnership, tenancy-in-common, joint tenancy, joint venture or co-ownership between Lessor and Lessee. Lessor shall not in any way be

responsible or liable for the debts, losses, obligations or duties of Lessee with respect to the Premises or otherwise by reason of this Lease. All obligations to pay Rent, and to Develop, operate, manage, maintain and repair the Premises shall be the sole responsibility of Lessee.

36. Lessee Not a Blocked Person

Lessee represents and warrants that neither Lessee nor any person or entity owning any direct or indirect membership interest or other equity ownership interest in Lessee is now, or ever has been, named on (or now is or ever has been acting directly or indirectly for or on behalf of any person or entity named on) the list of “Specially Designated Nationals and Blocked Persons” published by the Office of Foreign Assets Control of the United States Department of the Treasury or any similar list maintained by the United States government or any other government (any person so named, a “**Blocked Person**”). If Lessee, or any person or entity owning any direct or indirect membership interest or other equity ownership interest in Lessee, at any time becomes a Blocked Person or acts directly or indirectly for or on behalf of any Blocked Person, such event shall constitute an Event of Default under this Lease, unless, within thirty (30) days after Lessee becomes aware of such Blocked Person or aware of actions taken directly or indirectly for or on behalf of such Blocked Person, Lessee initiates and diligently pursues steps to cause such Blocked Person to be removed from owning a direct or indirect membership or other equity ownership interest in Lessee or removed from the list of “Specially Designated Nationals and Blocked Persons.”

37. Lessor’s Purchase Right.

Lessee, for additional good and valuable consideration, the receipt and sufficiency of which is hereby confirmed, hereby grants to Lessor an option to purchase the Improvements as provided in this Section 37 (the “**Option to Purchase**”). Commencing on that date on which Final Completion occurs, and throughout the term of this Lease, the Lessor shall have the right and option to purchase the Lessee's right, title, and interest in and to the Premises, including the Improvements.

37.1.1. **Notice.** Lessor shall give Lessee and Leasehold Mortgagee not less than ninety (90) days prior written notice of Lessor’s exercise of its purchase right under this Section 37 (“**Exercise Notice Date**”).

37.1.2. **Purchase Price.** If Lessor exercises its Option to Purchase, the purchase price (“**Purchase Price**”) of the Lessee's right, title, and interest in and to the Improvements shall be equal to the Cost of Construction as determined in accordance with Section 11.10 herein. Lessor shall purchase the Improvements with a combination of tax-exempt and taxable bond financing (the “**Bond Financing**”), which Bond Financing Lessor will endeavor to be tax-exempt to the maximum extent the Improvements are used for a public purpose. Lessor will strive in good faith to include the following components as tax-exempt bonds: the Community Center, all infrastructure supporting the Community Center, the lobby, restrooms, and a proportional share of any common elements. Lessor and Lessee shall use commercially reasonable efforts to agree upon the Cost of Construction during the period which is thirty (30) days following the Exercise Notice Date (“**Negotiation Period**”). In the event Applicable Law requires that the lease payments made pursuant to the Community Center Sublease be credited against the Purchase Price, the parties shall cause the total compensation paid to Lessee either pursuant to this Section 37.1.2 or other means (excluding the payments made pursuant to the Community Center Sublease) to equal the Cost of Construction.

37.1.3. **Arbitration.** If any disagreement or dispute regarding the Cost of Construction shall hereafter arise or occur (“a **Dispute**”) and if such Dispute has not been resolved after reasonable attempts by either Party to do so, including without limitation expiration of the Negotiation Period, upon the written request of either Party, each of the parties will appoint a designated representative, whose task it will be to

meet for the purpose of endeavoring to resolve such Dispute. The designated representatives shall discuss the problem and negotiate in good faith in an effort to resolve the Dispute without the necessity of any formal proceeding relating thereto. During the course of such negotiation, all reasonable requests made by one Party to the other for information will be honored in order that each of the parties may be fully advised regarding the Dispute.

37.1.4. If the designated representatives are unable to resolve the Dispute, either with respect to one or more specific items, or the Cost of Construction as a whole, within 15 days after the initial response to negotiate, then the Dispute, shall be settled by arbitration to be held in King County, Washington in accordance with the Commercial Arbitration Rules of the American Arbitration Association, except that: (i) there shall be one arbitrator; (ii) neither Party may submit more than 20 interrogatories, including subparts; (iii) neither Party shall be entitled to take more than two depositions and no deposition shall last more than two hours; (iv) all discovery shall be concluded within 60 days of serving of the notice of arbitration; (v) the arbitration proceeding shall be held within 90 days of serving the notice of arbitration; and (vi) payment of the expenses of the arbitration, including legal fees for both parties and the fee of the arbitrator, shall be assessed by the arbitrator based on the extent to which each Party prevails. In determining the Cost of Construction, the arbitrator shall follow the laws of the State of Washington, and the arbitrator shall have authority to grant only those remedies that would be available if the action were commenced in a court of competent jurisdiction in the State of Washington. The award of the arbitrator shall be binding, and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction.

37.1.5. **Liens.** Upon full payment of the Purchase Price, Lessee shall satisfy all monetary liens and encumbrances on the Premises.

37.1.6. **Closing.** The closing of the acquisition of Lessor's bonds to finance the Purchase Price of the Improvements, and the conveyance of the Improvements to Lessor (together, the "**Closing**") shall occur within ninety (90) days after the date of the election through escrow at a title company selected by Lessor and reasonably acceptable to Leasehold Mortgagee. At the Closing, Lessor shall deliver to the escrow agent, the Purchase Price, and the parties shall enter into the following documents:

37.1.7. **Ground Lease Termination.** Upon request by Lessor, Lessee shall execute and deliver without additional charge such documents as may be reasonably requested by Lessor to evidence and confirm the termination of this Lease and Lessee's leasehold interest hereunder and the termination of all liens and encumbrances on the Premises, including but not limited to, a termination of lease and full reconveyance of the Leasehold Mortgage or other security interests, each of which shall be executed in recordable form and such other documentation as may be necessary to evidence and confirm the termination of all property management contracts and other contracts affecting the Premises effective as of the date of termination.

37.1.8. **Deed.** At the Closing, the Improvements shall be conveyed to Lessor by Bargain and Sale Deed, subject only to those exceptions approved by Lessor.

37.1.9. **General Assignment.** At the Closing, Lessee and Lessor shall execute a general assignment whereby Lessee will assign to Lessor, and Lessor shall assume, all of Lessee's interest in the plans and specifications, including all warranties, and all architectural and general contractor agreements, relating to the Improvements.

37.1.10. **Bill of Sale.** At the Closing, Lessee shall convey to Lessor the personal property related to the Community Center, and the parties shall execute a bill of sale.

37.1.11. **Excise Tax and Escrow Fees.** At the Closing, Lessee shall be responsible for payment of all real estate excise tax associated with the conveyance of the Premises, including the Improvements, to Lessor. Lessor and Lessee shall share equally the closing fee charged by the escrow agent.

37.1.12. **Prorations.** Real property taxes and assessments shall be prorated as of the date of Closing. Lessee shall be responsible for any and all deferred or abated taxes and related interest and charges, any past due taxes and assessments through the closing date and shall cause such to be paid and removed at or before Closing. The current year's taxes shall be prorated between the parties as of the date of Closing. In addition, insurance, interest, water and other utilities that are not separately metered constituting liens shall be prorated as of the date of Closing.

37.1.13. **Operating Lease.** At the Closing, Lessee and Lessor shall enter into the Facility Operations and Lease Agreement attached as Exhibit E attached hereto, whereby Lessor will lease to Lessee or an Affiliate the Skating Facility and the Restaurant (as each term is defined in the Agreement to Lease), and Lessee or an Affiliate, as tenant under the Operating Lease, will make payments to Lessor, as landlord, for thirty (30) years not to exceed 135% of the City's annual debt service on the portion of the Bond Financing allocable to the Skating Facility and the Restaurant, plus contributions to a major maintenance fund, and then plus annual payments at the same repayment rate for an additional four (4) years, all as provided in and in accordance with the Facility Operations and Lease Agreement; provided, that the present value of such payments will not exceed the present value of the rights to use the Skating Facility and the Restaurant.

38. **General Provisions**

38.1. **Confidentiality.** Except for those matters that must be disclosed to perform the commitments of Lessee and Lessor under this Lease, and except as otherwise provided by Applicable Law, including but not limited to public record and public meeting laws, Lessee and Lessor agree that the provisions of this Lease are confidential business of Lessee and Lessor. Notwithstanding the foregoing, the provisions of this Section 38.1 shall not be applicable with respect to information that becomes public through parties other than Lessee, including information that may become public through information requests directed at Lessor and information that may become public as part of Lessor's internal approval and ongoing reporting processes.

Notwithstanding the foregoing, nothing contained hereby shall be deemed to prohibit Lessor or Lessee from disclosing the terms and provisions of this Lease: (i) in connection with the enforcement of the terms of this Lease; (ii) to the extent required by any subpoena or court order or requested by any governmental entity; (iii) to their advisors and Affiliates and, in the case of Lessee, to any actual or proposed Leasehold Mortgagee or lender to its Affiliate; (iv) to the extent required by the requirements of any applicable securities exchange; provided, however, in the case of any disclosure pursuant to clauses (iii), the disclosing Party shall notify the recipient of such information of the obligation to keep such information confidential; or (v) pursuant to Applicable Law. Lessee shall also be permitted to disclose the terms and provisions of this Lease to the NHL.

38.2. **Broker's Commissions.** Lessor and Lessee have used no broker or finder in connection with this transaction. Each Party represents to the other Party that the representing Party has incurred no liability for any brokerage commission or finder's fee arising from or relating to the negotiation or execution of this Lease, other than as set forth in this Section 38.2. Each Party hereby indemnifies and agrees to protect, defend and hold harmless the other Party from and against all liability, cost, damage or expense (including, without limitation, attorneys' fees and costs incurred in connection therewith) on account of any brokerage commission or finder's fee which the indemnifying Party has agreed to pay or which is claimed to be due as a result of the actions of the indemnifying Party. This Section 38.2 is intended to be solely for

the benefit of the parties hereto and is not intended to benefit, nor may it be relied upon by, any person or entity not a party to this Lease.

38.3. **No Third-Party Beneficiaries.** This Lease shall not confer nor be deemed nor construed to confer upon any person or entity, other than the parties hereto, any right or interest, including, without limiting the generality of the foregoing, any third party beneficiary status or any right to enforce any provision of this Lease, other than any Leasehold Mortgagee.

38.4. **Severability.** In case any one or more of the provisions of this Lease shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Lease, and this Lease shall be construed as if such invalid, illegal or unenforceable provisions had not been contained herein.

38.5. **Time of the Essence.** Time is hereby expressly declared to be of the essence of this Lease and of each and every term, covenant, agreement, condition and provision hereof.

38.6. **Headings.** Section and subsection headings in this Lease are for convenience only and are not to be construed as a part of this Lease or in any way limiting or amplifying the provisions hereof.

38.7. **Lease Construed as a Whole.** The language in all parts of this Lease shall in all cases be construed as a whole according to its fair meaning and not strictly for or against either Lessor or Lessee. The Parties acknowledge that each Party and its counsel have reviewed this Lease and participated in its drafting and therefore that the rule of construction that any ambiguities are to be resolved against the drafting Party shall not be employed nor applied in the interpretation of this Lease.

38.8. **Construction.** This Lease and each provision herein shall be given a fair and reasonable construction in accordance with the intention of the parties. This Lease was drafted as a mutual effort by the parties and shall not be interpreted against any single drafter.

38.9. **Meaning of Terms.** Whenever the context so requires, the neuter gender shall include the masculine and the feminine, and the singular shall include the plural, and vice versa.

38.10. **Attorneys' Fees.** In the event of any action or proceeding at law or in equity between Lessor and Lessee to enforce or interpret any provision of this Lease or to protect or establish any right or remedy of either Party hereunder, the Party not prevailing in such action or proceeding shall pay to the prevailing Party all costs and expenses, including without limitation, reasonable attorneys' fees and expenses (including reasonable attorneys' fees and expenses of in-house attorneys), incurred therein by such prevailing party and if such prevailing Party shall recover judgment in any such action or proceeding, such costs, expenses and attorneys' fees shall be included in and as a part of such judgment.

38.11. **Choice of Law.** The interpretation, construction and enforcement of this Lease, and all matters relating hereto, including applicability and interpretation of conflict of laws, shall be governed by the laws of the State of Washington. Any judicial proceeding brought by either of the Parties against the other Party or any dispute arising out of this Lease, the Closing, the Project or the Premises, or any matter relating thereto, be brought in the Superior Court of the State of Washington (in King County), or in the United States District Court for the Western District of Washington. In that regard, each Party hereby waives any defense of inconvenient forum and any bond or other security that might otherwise be required of the other Party with respect to such choice of judicial forum.

38.12. **Binding Agreement.** Subject to the provisions of Sections 22 and 24 of this Lease, the terms, covenants and agreements contained in this Lease shall bind and inure to the benefit of the parties

hereto and their respective successors and assigns.

38.13. **Entire Agreement.** This instrument, together with the exhibits hereto, all of which are incorporated herein by reference, constitutes the entire agreement between Lessor and Lessee with respect to the subject matter hereof and supersedes all prior offers, negotiations, oral and written. This Lease may not be amended or modified in any respect whatsoever except by an instrument in writing signed by Lessor and Lessee.

38.14. **Quiet Enjoyment.** Lessee, upon paying the Rent and all other sums due hereunder and upon keeping and observing all of the covenants, agreements and provisions of this Lease on its part to be observed and kept, shall lawfully and quietly hold, occupy and enjoy the Premises during the Term without hindrance by anyone claiming by, through, or under Lessor.

38.15. **Termination Not Merger.** The voluntary sale or other surrender of this Lease by Lessee to Lessor, or a mutual cancellation thereof, or the termination thereof by Lessor pursuant to any provision contained herein, shall not work a merger, but at the option of Lessor shall either terminate any or all existing subleases or subtenancies hereunder, or operate as an assignment to Lessor of any or all of such subleases or subtenancies.

38.16. **Modification of Lease.** In the event of any ruling or threat by the Internal Revenue Service, or opinion of counsel, that all or part of the Rent paid or to be paid to Lessor under this Lease will be subject to the income tax on unrelated business taxable income, Lessee agrees to modify this Lease to in order to carry out the intent that this Lease shall not be subject to such tax; provided that such modifications will not result in any increase in Rent, or any increased obligations of Lessee under this Lease. Lessor will pay all Lessee's reasonable costs incurred in reviewing and negotiating any such lease modification, including reasonable attorneys' and accountants' fees.

38.17. **Lessor Consents and Amendments.** If Lessee requests Lessor's consent with respect to any item or issue under this Lease, or requests that Lessor agree to amend or modify this Lease in any respect, then whether or not expressly provided in this Lease, Lessee agrees to pay Lessor's Administrative Fees for the reasonable time spent by Lessor's staff, and to reimburse Lessor for any reasonable attorneys' and/or professionals' fees incurred by Lessor in connection with the request. Any Administrative Fees due from Lessee shall be paid within ten (10) days of demand, and/or Lessor may require the payment of the same as a condition to its granting any consent or entering into any amendment or modification of this Lease. Except as otherwise set forth in this Lease, Lessor may withhold its consent to any request by Lessee under this Lease in its sole discretion. Except as otherwise provided in this Lease, in the event that Lessor shall fail to approve or deny any consent request within the applicable time period set forth in this Lease, Lessor shall be deemed to have disapproved such request.

38.18. **Survival.** The obligations of this Lease shall survive the expiration or earlier termination of this Lease to the extent necessary to implement any requirement for the performance of obligations or forbearance of an act by either Party which has not been completed prior to the termination of this Lease. Such survival shall be to the extent reasonably necessary to fulfill the intent thereof, or if specified, to the extent of such specification, as same is reasonably necessary to perform the obligations and/or forbearance of an act set forth in such term, covenant or condition. Notwithstanding the foregoing, in the event a specific term, covenant or condition is expressly provided for in such a clear fashion as to indicate that such performance of an obligation or forbearance of an act is no longer required, then the specific shall govern over the general provisions of this Lease.

38.19. **Estoppel Certificates.** Either Party, at any time and from time to time within ten (20) Business Days after receipt of written notice from the other Party, shall execute, acknowledge and deliver

to the requesting Party a certificate stating (to the responding Party's best knowledge where applicable): (a) that Lessee has accepted the Premises (if true); (b) the Commencement Date and Expiration Date of this Lease; (c) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that same is in full force and effect as modified and stating the modifications); (d) whether or not there are then existing any defenses against the enforcement of any of the obligations of Lessee under this Lease (and, if so, specifying same); (e) whether or not there are then existing any defaults by the parties in the performance of their obligations under this Lease (and, if so, specifying same); and (f) any other factual information relating to the rights and obligations under this Lease that may reasonably be required by requesting Party. Lessee shall pay Lessor's Administrative Fees in connection with any request for an estoppel certificate from Lessor.

38.20. Minority and Women Owned Business Requirements. Lessor encourages Lessee to provide for the maximum practicable opportunity for increased participation by minority and women-owned and controlled businesses (MWBE) in the design, Development and construction of the Project. The Washington State Office of Minority and Women's Business Enterprises (OMWBE) certifies firms that are owned and controlled by minorities or women, and can provide information regarding the certification process. Information about the certification status of a particular firm is available at the following OMWBE website address: <http://www.omwbe.wa.gov/biznetwas/> or by contacting OMWBE at (360) 753-9693, 406 South Water, P.O. Box 41160, Olympia, Washington 98504-4611.

38.20.1.Lessee's Undertakings. Lessee is encouraged to:

38.20.1.1. Advertise opportunities for consultants, designers, contractors, subcontractors or suppliers in a manner reasonably designed to provide MWBEs capable of performing the work with timely notice of such opportunities, and all advertisements shall include a provision encouraging participation by MWBE firms. Advertising may be done through general advertisements (e.g., newspapers, journals, etc.) or by soliciting bids/proposals directly from MWBEs.

38.20.1.2. Provide MWBEs that express interest with adequate and timely information about plans, specifications, and requirements of a contract.

38.20.2. Lessee is encouraged to:

38.20.3.Break down total requirements into smaller tasks or quantities, where economically feasible, in order to permit maximum participation by MWBEs and other small businesses.

38.20.4.Establish delivery schedules, where the requirements of a contract permit, that encourage participation by MWBEs and other small businesses.

38.20.5.Utilize the services of available minority community organizations, minority contractor groups, local minority assistance offices and organizations that provide assistance in the recruitment and placement of MWBEs and other small businesses.

38.21. Counterparts. This Lease may be executed in any number of counterparts and each of the counterparts shall be considered an original and all counterparts shall constitute one and the same instrument.

38.22. Limitation of Liability. Notwithstanding anything herein to the contrary, the liability of the Lessee hereunder and each obligation of Lessee hereunder (including, but not limited to its indemnity obligations) under this Lease shall be "limited recourse obligations" and, accordingly, the Lessor's sole source of satisfaction of such obligations shall be limited to the Lessee's interest in this Lease, the Project, the rents, issues and surplus related thereto and the other assets of the Lessee, and the Lessor shall not seek

to obtain payment from any person or entity comprising the Lessee or who is a member, officer, director, agent or employee of Lessee or its member, notwithstanding the survival of any obligation of the Lessee beyond the Term.

38.23. **Arbitration.** Any claim or dispute between the Parties relating to matters identified for resolution pursuant to this Section 38.23 shall be submitted in writing by the Parties to a dispute resolution process as described below. Throughout the process, Lessor and Lessee shall proceed in a timely manner and in good faith to resolve such claims or disputes based on accurate and shared information and on a confidential basis.

38.23.1. **Pre-Arbitration.** The Parties shall make a good faith effort to resolve any dispute or claim by negotiation between representatives with decision-making power. If resolution does not result, Lessor and Lessee shall then attempt to resolve the dispute through a conference of the City Manager and Lessee Chief Executive Officer or President. The procedures utilized for the conference shall include the exchange of written claims and responses, with supporting information, at least seven (7) days prior to the conference or such shorter period as agreed to by the Parties. The positions expressed, responses and submitted information shall not be admissible as evidence in any subsequent arbitration or legal proceeding.

38.23.2. **Arbitration.** If the procedure required by Section 38.23.1 does not result in resolution of the claim or dispute, then within ten (10) days after the last conference meeting or final exchange of written positions, either Party may initiate a binding arbitration in accordance with the following provisions and Chapter 7.04A RCW (or any successor provision thereto) or any other method of arbitration mutually agreed to by the Parties.

38.23.3. **Generally.** All such arbitration shall be conducted before a panel designated in the manner hereinafter provided (the “**Panel**”). Except as specifically provided for herein, all such arbitration shall be conducted in the City of Kirkland or Seattle in accordance with the rules of the American Arbitration Association, and the decision of each Panel shall be final and binding upon the Parties.

38.23.4. **Panel.** Each Panel shall consist of three (3) persons mutually selected by the Parties, including: (a) one attorney selected from a list of fifteen (15) attorneys licensed to practice law in the State, which list shall be furnished by the Seattle Chapter of the American Arbitration Association; and (b) two independent professionals with subject matter expertise in the issue being arbitrated (e.g., construction, economics, accounting, engineering, etc.), with each Party appointing one such expert, unless the number of persons on the Panel, or the qualifications of the individuals on the list, are otherwise mutually agreed to by the Parties. In the event that within fifteen (15) days after the submission of a dispute to arbitration, the Parties have been unable to agree on the attorney representative on the Panel, then representatives of the Parties shall meet promptly and the following procedures shall be applicable: Lessor shall strike the name of a person on the list. Within fifteen (15) minutes thereafter, Lessee shall strike a name from the list. At no more than fifteen (15) minute intervals thereafter, each Party shall strike a name from the list. If any Party fails to strike a name within the allotted time period, it shall forgo its turn to strike a name.

38.23.5. **Joinder.** Lessee or City may join any other Party to the arbitration who is needed for just adjudication. The standard for joinder of any other party shall be provided under Rule 19 of the Washington Rules of Civil Procedure.

38.23.6. **Hearing Date.** On appointment of the Panel as provided above, the Panel shall hold a hearing within twenty (20) days after the appointment of the Panel.

38.23.7. Pre-Hearing and Hearing. At least ten (10) days prior to the hearing, the Parties shall meet and exchange exhibits and pre-hearing statements and stipulate and agree on non-disputed facts. No exhibit shall be admitted unless listed on the pre-hearing statement and exchanged between the Parties. No witness may be presented unless indicated on the pre-hearing statement or unless produced for rebuttal purposes. Prior to or at the hearing, the Parties shall submit memoranda outlining the relevant issues for the Panel. At the hearing, the laws of evidence of the State shall apply, and the Panel shall allow each Party to present that Party's case, evidence and witnesses, and render their award.

38.23.8. Award. The Panel shall render its award in a written decision within thirty (30) days of the conclusion of the hearings. In rendering its award the Panel shall have full authority to interpret and apply the terms of this Lease, but shall have no authority to add to, or subtract from or otherwise modify or amend the terms of this Lease.

38.23.9. Judgment on Award. The award of the majority of the arbitrators shall be final and binding on the Parties and judgment may be entered on such award in the King County District Court.

38.23.10. Attorneys' Fees. Each Party will bear its own attorneys' fees and costs and shall not request an award of attorneys' fees or costs in the formal dispute resolution process under this Section.

38.24. Community Center; Community Center Sublease.

38.24.1. Construction of Community Center. Lessee shall construct, at Lessee's cost and expense, the Community Center Premises in accordance with the plans and specifications referenced in Exhibit F attached hereto.

38.24.2. Community Center Sublease. Upon substantial completion of the Community Center Premises, Lessor and Lessee shall enter into the Community Center Sublease in the form set forth as Exhibit G attached hereto.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

Lessor and Lessee have executed this Lease as of the date first above written:

LESSOR:

City of Kirkland

By: _____

Its: _____

LESSEE:

By: _____

Its: _____

GLOSSARY

As used in this Lease, the following terms shall have the following meanings, applicable, as appropriate, to both the singular and plural forms of the terms herein defined:

“Administrative Fees” means Lessor’s reasonable in-house staff time and reasonable costs, and any reasonable consultants’ fees, attorneys’ fees, and other third-party costs incurred by Lessor in connection with Lessor’s review and approval of matters within the scope of this Lease, and in connection with the enforcement of any remedies of Lessor under this Lease.

“Affiliate” means (a) the legal representative, successor or assignee of, or any trustee of a trust for the benefit of, Lessee; (b) any entity of which a majority of the voting or economic interest is owned, directly or indirectly, by Lessee or one or more of the persons referred to in the preceding clause; (c) any entity in which Lessee or a person referred to in the preceding clauses is a controlling stockholder, controlling partner or controlling member (directly or indirectly); (d) any person or entity which is an officer, director, trustee, controlling stockholder, controlling partner or controlling member (directly or indirectly) of Lessee or of any person or entity referred to in the preceding clauses; or (e) any person or entity directly or indirectly controlling, controlled by or under common control with, Lessee or any person or entity referred to in any of the preceding clauses. For purposes of this definition, “control” means owning directly or indirectly fifty percent (50%) or more of the beneficial interest in such entity or the direct or indirect power to control the management policies of such person or entity, whether through ownership, by contract or otherwise.

“Agreement to Lease” is defined in Recital F.

“Alterations” means any additional improvements, alterations, remodeling, or reconstruction of or to the Leasehold Improvements following Substantial Completion of the Project of the type for which the approval of Lessor is required in accordance with Section 11 of this Lease.

“Applicable Laws” means (a) all applicable laws, statutes, codes, ordinances, orders, resolutions, rules, regulations and requirements, including, without limitation, all Environmental Requirements, of all federal, state, county, municipal and other Governmental Authorities and the departments, commissions, boards, bureaus, instrumentalities, and officers thereof; (b) all judicial rulings, decrees and orders; and (c) the American Insurance Association (formerly the National Board of Fire Underwriters) or any other body exercising similar functions relating to or affecting the Premises, the Improvements now or hereafter located on the Premises or the use, operation or occupancy of the Premises for the purposes permitted hereunder. In each instance, Applicable Laws shall include those existing as of the Commencement Date and those hereafter enacted. State laws shall prevail over federal law only where preemption is recognized by federal law.

“Applicable Standard” means operating, maintaining, repairing, re-equipping and improving the Facility and each and all of the major systems and components thereof, in a (A) first class manner, in good order and safe condition and (B) in at least the condition as the Kraken Community Iceplex located in Seattle, Washington is maintained.

“Award” means the amount paid by the Condemning authority as a result of a Condemnation.

“Base Rent” is defined in Section 6.1.

“Basic Lease Information” means the information contained in Section 1.

“Blocked Person” is defined in Section 36

“Buildings” means the Leasehold Improvements and all other buildings located on the Land.

“Business Days” means Monday through Friday, excluding federal and State of Washington legal holidays. Any references to “days” that are not expressly designated to be business days shall mean calendar days.

“CapEx Expenses” is defined in Section 6.2.

“CapEx Fund” means that certain capital reserve fund to be created and funded as described in Section 6.2.2.1 to pay for CapEx Work.

“CapEx Work” is defined in Section 6.2.

“CapEx Work Plan” is defined in Section 8.6.

“Catastrophic Damage” means the (a) estimated cost of full restoration exceeds Three Million Dollars (\$3,000,000), (b) the estimated time necessary to fully repair the damage or occurrence exceeds one hundred eighty (180) days, or (c) the damage or occurrence has an estimated cost that is more than the amount of expected available insurance proceeds, plus any amounts in the CapEx Fund.

“Claims” are defined in Section 20.1.

“Closing” is defined in Section 37.1.6.

“Code” is defined in the introductory paragraph.

“Commencement Date” is defined in the introductory paragraph.

“Community Center” shall have the meaning set forth in Recital C.

“Community Center Premises” shall mean the premises and improvements constructed in accordance with the plans and specifications referenced in Exhibit F.

“Community Center Sublease” shall mean that certain Community Center Sublease by and between Lessor and Lessee with respect to the Community Center.

“Condemnation” means any taking by exercise of right of condemnation (direct or inverse) or eminent domain, or requisitioning by military or other public authority for any purpose arising out of a temporary emergency or other temporary circumstance or sale under threat of condemnation.

“Condemned” means having been subject to such taking and “Condemning” means exercising such taking authority.

“Construction Commencement” means Lessee has obtained and closed on all necessary construction financing for the Project, and has commenced demolition of the Existing Improvements for the purpose of constructing the Project.

“Construction Contract” means the contract with a general contractor for construction of the Project, which shall by its terms be fully assignable to Lessor.

“Construction Documents” are defined in the Agreement to Lease.

“CPI” means the Consumer Price Index for Urban Wage Earners and Clerical Workers determined by the U.S. Department of Labor, Bureau of Labor Statistics U.S. City Average; all items, not seasonally adjusted, 1982–1984=100 reference base, or if such index is no longer published, a successor or substitute index reasonably designated by Lessor, published by a governmental agency and reflecting changes in consumer prices in the Seattle Area.

“CPI Change” means, with respect to a particular dollar amount or matter which is to be adjusted by reference to the CPI pursuant to an express provision in this Lease, the percentage increase in the CPI, if any, for the ensuing Lease Year as determined by the CPI published at the end of the preceding October of the Lease Year being measured; in no event shall a CPI Change decrease any amount or rate calculated pursuant to this Lease.

“Damage” means any occurrence or casualty constituting an incident of Catastrophic Damage or non-Catastrophic Damage.

“Design Development Documents” is defined in the Agreement to Lease.

“Design Team” is defined in Section 11.1.3.

“Development” or **“Develop”** means any acts necessary and appropriate to (a) obtain any required land use, zoning, environmental, building or other approvals and permits for the Design, Construction, operation and use of the Project, (b) obtain any required extension of public and private utility services for the Project, (c) obtain any required vehicular or pedestrian rights of way and access from or to the Project (including such rights granted herein), and (d) satisfy the legal requirements and insurance requirements in connection with the Design or Construction of the Project.

“Environmental Claims” means all claims, demands, suits, actions (including, without limitation, notices of noncompliance, charges, directives, and requests for information), causes of action, orders, judgments, settlements, damages, losses, diminutions in value, penalties, fines, actions, proceedings, obligations, liabilities (including strict liability), encumbrances, liens, costs (including, without limitation, costs of investigation and defense of any claim (including, Lessor’s in-house counsel), whether or not such claim is ultimately defeated, and costs of any good faith settlement or judgment), and expenses of whatever kind or nature, contingent or otherwise, matured or unmatured, foreseeable or unforeseeable, including without limitation reasonable attorneys’ and consultants’ fees and disbursements, any of which are incurred at any time, arising out of or related to Environmental Requirements, including, without limitation:

(a) Damages for personal injury, or injury to property or natural resources occurring upon the Premises or off the Premises, foreseeable or unforeseeable, including, without limitation, consequential damages, lost profits, lost rents, the cost of demolition and rebuilding of any improvements on real property, interest and penalties;

(b) Claims brought by or on behalf of employees of Lessee;

(c) Fees incurred for the services of attorneys, consultants, contractors, experts, laboratories and all other costs incurred in connection with the investigation or remediation of Releases of Hazardous Substances (whether or not performed voluntarily) or violation of Environmental Requirements,

including, but not limited to, preparation of feasibility studies or reports, or the performance of any cleanup, remediation, removal, response, abatement, containment, closure, restoration or monitoring work required by any federal, state or local governmental agency or political subdivision, reasonably necessary to restore full economic use of the Premises or any other property, or otherwise expended in connection with such conditions, and including without limitation any attorneys' fees, costs and expenses incurred in enforcing this Lease or collecting any sums due hereunder; and

(d) Liability to any third person or governmental agency to indemnify such person or agency for costs expended in connection with the items referenced above.

“Environmental Requirements” means all applicable present and future statutes, regulations, rules, ordinances, codes, common law, licenses, permits, orders, approvals, plans, authorizations, concessions, franchises, and similar items, and all amendments thereto, of all governmental agencies, departments, commissions, boards, bureaus or instrumentalities of the United States, Washington, and political subdivisions thereof, and all applicable judicial, administrative and regulatory decrees, judgments, orders and written directives relating to the protection of human health, safety, wildlife or the environment, including, without limitation, (a) all requirements pertaining to reporting, licensing, permitting, investigation and/or remediation of emissions, discharges, Releases, or threatened Releases of Hazardous Substances, whether solid, liquid, or gaseous in nature, into the air, surface water, groundwater, or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of Hazardous Substances; and (b) all requirements pertaining to occupational health, the health and safety of employees or the public, including, without limitation, as amended from time to time, the Federal Resource Conservation and Recovery Act of 1976, 42 U.S.C. Section 6901 et seq., Federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. Section 9601 et seq., Federal Hazardous Materials Transportation Control Act, 49 U.S.C. Section 1801 et seq., Federal Clean Air Act, 42 U.S.C. Section 7401 et seq., Federal Water Pollution Control Act, Federal Water Act of 1977, 33 U.S.C. Section 1251 et seq., Federal Insecticide, Fungicide and Rodenticide Act, Federal Pesticide Act of 1978, 7 U.S.C. Section 136 et seq., Federal Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq., Federal Safe Drinking Water Act, 42 U.S.C. Section 300f et seq., Washington Water Pollution Control Act, RCW Chapter 90.48, Washington Clean Air Act, RCW Chapter 70.94, Washington Solid Waste Management Recovery and Recycling Act, RCW Chapter 70.95, Washington Hazardous Waste Management Act, RCW Chapter 70.105, Washington Hazardous Waste Fees Act, RCW Chapter 70.95E, Washington Model Toxics Control Act, RCW Chapter 70.105D, Washington Nuclear Energy and Radiation Act, RCW Chapter 70.98, Washington Radioactive Waste Storage and Transportation Act of 1980, RCW Chapter 70.99, Washington Underground Petroleum Storage Tanks Act, RCW Chapter 70.148, and any regulations promulgated thereunder.

“Event of Default” is defined in Section 25.1

“Existing Improvements” is defined in Recital A.

“Expiration Date” is stated in the Basic Lease Information.

“Facility” means the portion of the Project that is the two story Seattle Kraken branded, two (2) ice rink facility with rink seating and a restaurant, consisting of gross square footages of approximately (i) 62,500 square feet of ice rinks and seating, and (ii) no less than 2,300 square feet of restaurant space, developed in accordance with that certain Request for Qualifications issued by the Lessor entitled “Developer of Ice Skating Facilities, Restaurant and Community Center”, Job #06-25-CMO, issue date February 24, 2025.

“Facility Assessment” means a comprehensive facility assessment as may be conducted from time to time pursuant to Section 8.6.7.

“Final Completion” means Substantial Completion has occurred, all punch list items have been performed and are completed and a final certificate of completion for the Project has been issued by the Lessor, as the issuing agency.

“Franchise” means the franchise granted to TeamCo by the National Hockey League (“NHL”) commonly known as the “Seattle Kraken”.

“Full Replacement Value” is defined in Section 19.1.1.1.

“GAAP” means those principles of accounting set forth in pronouncements of the Financial Accounting Standards Board and its predecessors or pronouncements of the American Institute of Certified Public Accountants or those principles of accounting that have other substantial authoritative support and are applicable in the circumstances as of the date of application, as such principles are from time to time supplemented and amended.

“General Construction Contract” that certain Construction Contract, dated as of [____], between the Lessee and the General Contractor, with the Lessor as an intended third party beneficiary to the extent described therein, pursuant to which the General Contractor has agreed to Construct the Project for a Guaranteed Maximum Price, and any exhibits and plans and specifications attached thereto, and any modifications, amendments or supplements thereto in accordance with the terms thereof and the Agreement to Lease. Lessor acknowledges receipt of a copy of the General Construction Contract.

“General Contractor” means [____], as contractor under the terms and conditions of the Construction Contract, and its permitted successors and assigns.

“Governmental Authorities” means all governmental or quasi-governmental authorities with jurisdiction over the Premises.

“Hazardous Substance” means any substance, material or waste:

(a) the presence of which requires investigation or remediation under any Environmental Requirement;

(b) which is or becomes listed, regulated or defined as a “hazardous waste,” “hazardous substance,” “hazardous material”, “toxic substance”, “hazardous air pollutant”, “pollutant,” “infectious waste,” “bio-hazardous waste”, “medical waste”, “radioactive waste”, or “contaminant” under any Environmental Requirement;

(c) which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous to human health, safety, wildlife or the environment and is or becomes regulated under any Environmental Requirement;

(d) the presence or Release of which at, on, under or from the Premises causes or threatens to cause a nuisance upon the Premises or to surrounding properties or poses or threatens to pose a hazard to the environment or the health or safety of persons on or about the Premises; or

(e) the presence of which on adjacent properties could constitute a trespass by Lessee.

Without limitation of the foregoing, Hazardous Substances shall include gasoline, diesel fuel and other petroleum hydrocarbons and the additives and constituents thereto, including MTBE; polychlorinated biphenals (PCBs); asbestos and asbestos-containing material; universal waste, lead; urea formaldehyde foam insulation; radon gas and microbial material (including mold).

“Improvements” means Leasehold Improvements and all Alterations, together with any and all buildings, structures, systems, facilities and fixtures to be located within the Land pursuant to this Lease.

“Improvements Mortgage” is defined in Section 24.1.

“Improvements Mortgagee” means the holder of an Improvements Mortgage.

“Interest Rate” means the rate of twelve percent (12%) per annum.

“Land” is defined in the introductory paragraph.

“Lease” is defined in the introductory paragraph.

“Lease Year” “Lease Year” means the twelve-month period commencing on January 1 and ending on December 31 of each year during the Term, provided that the first partial Lease Year shall commence on the Commencement Date and the last partial Lease Year shall end on the Termination Date.

“Leasehold Improvements” is defined in Section 11.

“Leasehold Mortgage” is defined in Section 24.2.

“Leasehold Mortgagee” means the holder of a Leasehold Mortgage.

“Lessee” is defined in the introductory paragraph.

“Lessee Environmental Activity” means any use, treatment, keeping, handling, storage, transport, sale or Release at, on, under or from the Premises of any Hazardous Substance during the Term that arises out of, is the result of, or is related to the acts or omissions of Lessee or Lessee’s Agents on or about the Premises during the Term.

“Lessee Materials” are defined in Section 11.1.7.

“Lessee Parties” are defined in Section 18.10.2.

“Lessee’s Agents” means Lessee’s employees, agents, contractors, Subtenants and invitees.

“Lessor” is defined in the introductory paragraph.

“Lessor Parties” shall mean Lessor’s employees, city council members and the City Manager.

“Lessor’s Agents” means Lessor’s employees and agents.

“Lessor’s Authorized Representative” is defined in Section 11.1.2.

“Lessor’s Interest” is defined in Section 11.1.2.

“Liens” are defined in Section 15.1.

“New Lease” is defined in Section 24.5.

“New Lease Notice” is defined in Section 24.6.

“Operating Expenses” shall mean all insurance premiums and deductibles, debt service, operating expenses, permit and license fees, costs of construction, utilities and services, maintenance, repair, replacement, rebuilding, restoration, management, marketing and leasing services, operations and other costs of any type whatsoever accruing at any time during the Term in connection with the ownership, marketing, leasing, operation, management, maintenance, repair, replacement, restoration, use, occupancy or enjoyment of the Skating Facility and the Restaurant on the Premises. Notwithstanding the foregoing, however, specific remodeling, rehabilitation or capital improvement cost items (collectively **“Capital Cost Items”**) may be included in Operating Expenses provided that each such item is either specifically authorized under this Lease or shall have been submitted by Lessee to Lessor and approved in advance and in writing by Lessor. Submission by Lessee to Lessor of requests for approval of Capital Cost Items shall be in writing and in reasonable detail, and shall include, among other things, a statement or explanation of the need for or desirability thereof, detailed plans, cost estimates and proposed means of payment and such other information as may be required under this Lease; (c) Reserved; (d) marketing and advertising costs and expenses incurred for the benefit of the Premises or any portion thereof; (e) expenses incurred with respect to security and insurance premiums on policies of insurance required to be maintained pursuant to this Lease or the Leasehold Mortgage; (f) Reserved; (g) Taxes; and (h) Rent due to Lessor under this Lease. Operating Expenses shall not include any depreciation of the Premises or any equipment, personal property, furniture or fixtures of or located on the Premises or amortization in lieu thereof or any federal or state business and occupation or income taxes payable by Lessee, or any property manager, or any other similar taxes measured by income.

“Option” is defined in Section 5.2.

“Option Term” is defined in Section 5.2.

“Option to Purchase” is defined in Section 37.

“Parking Area” means the surface parking lot located to the north of the Land with [210] parking spaces. For purposes of clarification, the Parking Area is not located on the Land.

“Party” means either Lessor or Lessee and **“Parties”** means Lessor and Lessee collectively.

“Permits and Approvals” means permits, licenses and other approvals necessary for the operation, maintenance, repair, replacement, management and use of the Premises.

“Premises” is defined in Recital C. For purposes of clarification, the Premises do not include the Parking Area.

“Project Development Team” is defined in Section 11.1.3.

“Project Documents” is defined in Section 11.1.

“Release” with respect to Hazardous Substances, means any release, deposit, discharge, emission, leaking, spilling, seeping, migrating, injecting, pumping, pouring, emptying, escaping, dumping, disposing, or other movement of Hazardous Substances into the environment; provided that “Release” shall not

include the migration, seepage or discharge on, over or across the Premises of any Hazardous Substance that originates off of the Premises.

“Rent” means the Lease Payment and Monthly CapEx Fund Payments.

“Restaurant” shall mean the restaurant located on the first floor of the Premises and generally depicted on Exhibit H. The Restaurant shall open for iceplex patrons as well as the general public. The Restaurant menu shall provide beer and wine, hot food prepared in a kitchen with a goal of providing options for baking, grilling, and deep-frying menu options. The Restaurant shall be not less than 2300 square feet in size.

“Substantial Completion” means the date that the Leasehold Improvements are complete (other than minor punch list items) in accordance with the Project Documents and a temporary certificate of occupancy for the Project has been issued by the Lessor, as the issuing agency, such that Lessee, and Lessee’s Subtenants are permitted to and could, pursuant to such certificate of occupancy, physically occupy the Improvements for uses permitted hereunder.

“Taxes” are defined in Section 7.2.2.

“TeamCo” means Seattle Hockey Partners, LLC, a Delaware limited liability company.

“Term” is defined in Section 5.1.

“Termination Date” is defined in Section 27.2.

“Transfer” is defined in Section 22.1.

“Triggering Event” is defined in Section 18.9.

“Unavoidable Delay” means any delay due to war, insurrection, riots, civil disturbances, floods, fires, casualties, earthquakes, tsunamis, acts of God, acts of the public enemy, acts of terrorists, governmental embargo restrictions, inability to obtain materials through ordinary sources using commercially reasonable efforts (including the selection of alternative materials), bankruptcy, insolvency or dissolution of third party providers of services or capital to the Project, strikes, epidemics, quarantine restrictions, Unusually Severe Weather Conditions, unforeseen subterranean conditions that could not have otherwise been reasonable anticipated, any actions by any governmental authorities, or similar events or circumstances beyond Lessee’s reasonable control, and provided (i) Lessee shall use commercially reasonable efforts to seek to minimize the effects of any Unavoidable Delay, and (ii) the total length of time a delay may constitute Unavoidable Delay with respect to a specific event or circumstance shall not exceed the length of time for the actual event or circumstance plus a period of time thereafter in the exercise of reasonable diligence necessary to address the consequences associated with such event or circumstance (which, by way of example, for a casualty would include the length of time of the casualty itself and the time thereafter in the exercise of reasonable diligence to seek and secure insurance proceeds and necessary permits and the time to conduct the actual repairs of such casualty).

“Unusually Severe Weather Conditions” means the occurrence of precipitation, low temperature, windstorms, or snow or ice which is reasonably unanticipated and causes construction projects in downtown Kirkland to cease work.

EXHIBIT A

Legal Description of the Land

{TO BE ADDED PRIOR TO EXECUTION}

EXHIBIT B

Project Documents

{TO BE ADDED PRIOR TO EXECUTION}

EXHIBIT C

Design Team

{TO BE ADDED PRIOR TO EXECUTION}

EXHIBIT D

Form of Guaranty

EXHIBIT E

Form of Facility Operations and Lease Agreement

{TO BE ADDED PRIOR TO EXECUTION; IDENTICAL TO FACILITY AND OPERATIONS LEASE
AGREEMENT ATTACHED TO AGREEMENT TO LEASE}

EXHIBIT F

Plans and Specifications relating to Community Center Premises

{TO BE ADDED PRIOR TO EXECUTION}

EXHIBIT G

Form of Community Center Sublease

{TO BE ADDED PRIOR TO EXECUTION; IDENTICAL TO FACILITY AND OPERATIONS LEASE
AGREEMENT ATTACHED TO AGREEMENT TO LEASE}

EXHIBIT H

Depiction of Restaurant

{TO BE ADDED PRIOR TO EXECUTION}

SCHEDULE 1

City's Signage Criteria

{TO BE ADDED PRIOR TO EXECUTION; SHOULD BE BASED ON THE DEVELOPMENT
STANDARDS IN THE AGREEMENT TO LEASE}

Exhibit D
Community Center Sublease

[Attached]

COMMUNITY CENTER SUBLEASE AGREEMENT

THIS COMMUNITY CENTER SUBLEASE AGREEMENT ("Lease") is dated for reference purposes as of _____, 202____, and is made by and between _____, a Delaware limited liability company ("Sublandlord"), and City of Kirkland, a municipal corporation ("Subtenant").

RECITALS:

A. Sublandlord, as lessee, and Subtenant, as lessor, are parties to that certain Ground Lease, dated _____, 20____ ("Ground Lease") with respect to the real property legally described in Exhibit A ("Master Premises").

B. Subtenant desires to lease a portion of the Master Premises all as provided herein.

1. LEASE DATA AND EXHIBITS. As parties hereto, Sublandlord and Subtenant agree that the following terms as used herein shall have the meanings provided in this Section 1, unless otherwise specifically modified by provisions of this Lease:

- (a) BUILDING: _____, Kirkland, Washington. The agreed net rentable area of the Building is _____ rentable square feet.
- (b) PREMISES: The Premises consists of the area on the 2nd floor of the Building, known as [the Kirkland Community Center], which is cross-hatched on the floor plan(s) attached hereto as Exhibit B. For purposes of this Lease the agreed net rentable area of the Premises is 13,825 rentable square feet, of which 12,614 is usable square feet.
- (c) LAND: The land upon which the Building is situated as more particularly described in Exhibit A.
- (d) SUBTENANT'S Share: As used in this Lease, Sublandlord and Subtenant agree that Subtenant's Share of the Building is _____%.
- (e) TERM: This Lease shall be for a term (the "**Term**") commencing on the Commencement Date (as defined in Section 4(a) below), and ending on the Expiration Date (as defined in Section 4(a) below).
- (f) BASE RENT: The following amounts for the following periods, payable on or before the first day of each calendar month, which are equal to the amount that Sublandlord's debt service payments of its permanent financing to fund construction of the Building exceeds the amount of Bond Debt Service Payment that would have been made had Subtenant issued the Bond Financing (as such terms are defined in the Ground Lease):

<u>Applicable Period</u>	<u>Monthly Base Rent</u>

*Month 1 refers to the first full month of the Term. If the Commencement Date occurs on a day other than the first of the month, then Base Rent for the period between the Commencement Date and Month 1 shall be at the same rate as Month 1 but prorated according to Section 3 below.

- (g) PREPAID RENT DEPOSIT: None.
- (h) SECURITY DEPOSIT: None.
- (i) NORMAL BUSINESS HOURS: From 5:30 a.m. to 11:59 p.m. on Monday-Sunday (excluding legal holidays).
- (j) NOTICES AND PAYMENTS ADDRESSES:

Sublandlord: _____

Subtenant: At the Premises.

- (k) EXHIBITS: The following exhibits or riders are made a part of this Lease:

Exhibit A- Legal Description of Premises

Exhibit B – Floor Plan of Premises

Exhibit C - Sublandlord's Work

2. PREMISES. For the Term specified in Section 1(e), Sublandlord does hereby lease the Premises to Subtenant, and Subtenant does hereby lease the Premises from Sublandlord, upon and subject to the terms and conditions herein set forth; provided, however, the areas outside of the interior ceiling and walls of the Premises and the area beneath the floor of the Premises are not demised hereunder, and the use thereof together with the right to install, maintain, inspect, use, repair and replace pipes, ducts, conduits, wires and structural elements leading through the Premises in locations which will not materially interfere with Subtenant's use thereof and serving other parts of the Building are hereby reserved unto Sublandlord.

3. RENT. Subtenant shall pay Sublandlord the Base Rent stated in Section 1(f) hereof and Additional Rent as provided in Section 10 and any other additional payments due under this Lease without notice, deduction or offset, in advance on or before first day of each month, or such other date as is provided in this Lease, to Sublandlord at the address noted in Section 1(j) hereof, or to such other party or at such other place as Sublandlord may hereafter from time to time designate in writing. Rent for any partial month at the beginning or ending of the Term shall be prorated. Base Rent, Additional Rent and all other sums payable by Subtenant under this Lease, including but not limited to Sublandlord's damages incurred in the event of Subtenant's default hereunder, are sometimes collectively called "Rent."

All payments of Rent not received by Sublandlord within five (5) days after each respective due date or the date any damages are incurred by Sublandlord as a result of Subtenant's default hereunder shall bear interest at a monthly rate (the "**Default Rate**") equal to the lesser of: (a) the published prime or reference rate then in effect at a national banking institution designated by Sublandlord ("**Prime Rate**"), plus four (4) percentage points, or (b) the maximum rate of interest per annum permitted by applicable law, from the date the Rent is due or the damages are incurred until paid. Subtenant acknowledges the late payment by Subtenant to Sublandlord of rent or damages will cause Sublandlord to incur costs not contemplated by this Lease, the exact amount of such costs being extremely difficult and economically impractical to ascertain. Therefore, if any payment of Rent or damages due from Subtenant is not received by Sublandlord within five (5) days after the due date or the date damages are incurred, Subtenant shall pay to Sublandlord (in addition to the interest above provided) a late charge of One Hundred Dollars

(\$100.00) or five percent (5%) of the overdue Rent and damages, whichever shall be greater. The parties agree that this late charge represents a fair and reasonable estimate of the costs that Sublandlord will incur by reason of late payment by Subtenant and is in addition to any interest charges on past due Rent and damages. Acceptance of any late charge shall not constitute a waiver of Subtenant's default with respect to the overdue amount nor prevent Sublandlord from exercising any of the other rights and remedies available to Sublandlord. The provisions of this paragraph in no way relieve Subtenant of the obligation to pay Rent on or before the due dates or to reimburse Sublandlord for damages incurred due to Subtenant's default hereunder.

4. COMMENCEMENT DATE; POSSESSION; SUBLANDLORD IMPROVEMENTS.

(a) The Term of this Lease shall commence on the Commencement Date and expire on the Expiration Date. "**Commencement Date**" shall be defined as that date on which Substantial Completion of Sublandlord's Work (as defined in Exhibit C) in the Premises, subject to reasonable punch-list items as set forth in Exhibit C. "**Substantial Completion**" shall mean that Sublandlord's Work is substantially completed in a good and workmanlike manner so as to allow (x) a temporary certificate of occupancy (or similar form) with respect to the Premises to be issued by the applicable governmental authority and (y) Subtenant to occupy the Premises for the use and purposes intended without unreasonable disturbance, punch-list corrections notwithstanding. In no event shall Subtenant be entitled to conduct business in the Premises prior to the Commencement Date. "**Expiration Date**" shall be defined as the date on which the Ground Lease terminates or expires.

(b) Early Access. Sublandlord shall use commercially reasonable efforts to allow Subtenant to be present on the Premises during the [] ([]) weeks preceding the Commencement Date for purposes of planning, measuring and installing Subtenant's personal property, furniture, fixtures and equipment. During such early access period, (i) Subtenant's activities shall be subject to Sublandlord's reasonable directives, (ii) Subtenant shall not interfere with Sublandlord's or any other occupants activities; and (iii) all provisions of this Lease other than those relating to payment of Base Rent and Additional Rent shall apply to any such pre-commencement occupancy (including specifically without limitation all provisions relating to insurance, indemnity, and freedom from liens).

(c) Condition of Premises. Subject to completion of Sublandlord's Work, Sublandlord shall deliver the Premises to Subtenant, and Subtenant shall accept the Premises from Sublandlord, on the Commencement Date in its existing as-is condition, and Subtenant agrees that Sublandlord shall have no obligation to improve the Premises during the Term or to reimburse Subtenant or provide an allowance for the cost of any improvements in the Premises, except as otherwise set forth in this Lease.

5. SECURITY DEPOSIT. N/A.

6. USE OF THE PREMISES. The Premises may be used for a public community center and health and fitness club and associated amenities. Subtenant shall comply with all laws and regulations relating to its use or occupancy of the Premises.

7. CARE OF THE PREMISES; REMOVAL OF SUBTENANT MODIFICATIONS. Subtenant's taking possession of the Premises constitutes Subtenant's acknowledgment that the Premises were then in good condition. Subtenant shall, at Subtenant's sole cost and expense, take good care of the Premises and shall keep, repair, replace and maintain in good working condition the Premises and the plumbing, electrical and HVAC Systems located within the Premises and all items installed therein by Subtenant.

8. SUBLANDLORD MAINTENANCE. Sublandlord shall comply with its maintenance obligations under Section 8.2 of the Ground Lease, including maintaining or causing to be maintained in reasonably good order and condition the Common Areas of the Building, except as provided in Section 7, the plumbing, electrical and HVAC systems in the Common Areas, and the roof, exterior walls, exterior doors, and foundations of the Building. Sublandlord shall not be obligated to repair or replace any fixtures or equipment installed by Subtenant if any such maintenance or repair is required because of the act or

omission of Subtenant or any person claiming through Subtenant or any of their respective officers, servants, agents, employees, contractors, licensees, guests, visitors or invitees. Notwithstanding anything to the contrary, Sublandlord shall not be liable to Subtenant due to any interruption of or interference with Subtenant's business operations in connection with any work performed in the Premises or Building pursuant to Sublandlord's rights and obligations under this Lease. To the maximum extent permitted by law, Subtenant waives any right to make repairs to the Premises or Building at Sublandlord's expense pursuant to any existing or future code, rule, regulation or law.

9. SERVICES AND UTILITIES PROVIDED BY SUBLANDLORD. Sublandlord will furnish Subtenant the following services and utilities:

- (a) Electricity for normal business operations.
- (b) Elevator service.
- (c) Water for drinking and restroom purposes at the points of supply provided by Sublandlord.
- (d) Window washing.
- (e) **[Open]** Heating, ventilation and air conditioning. **[NTD: For discussion. Does this space have dedicated HVAC?]**

Sublandlord does not warrant that any of the foregoing utilities or services will be free from interruption, but Sublandlord will take all reasonable steps to restore the interrupted utilities and services. No such interruption shall be deemed an eviction of Subtenant or excuse Subtenant's performance of any of its obligations under this Lease, including without limitation the payment of Rent, or render Sublandlord liable for damages.

10. ADDITIONAL RENT.

(a) In addition to the Base Rent provided in Section 1(f) hereof, Subtenant shall pay to Sublandlord as "**Additional Rent**" Subtenant's Share of Expenses (as defined in Section 1.d) for each Expense Year (as defined below) during the Term of this Lease as provided in this Section. During the month prior to the commencement of each Expense Year, or as soon thereafter as practicable, Sublandlord shall give Subtenant notice of Sublandlord's estimate of the amount payable under this Section for the ensuing Expense Year. On the first day of each month during the ensuing Expense Year, Subtenant shall pay to Sublandlord one-twelfth (1/12) of such estimated amount. However, if such notice is not given prior to the commencement of such Expense Year, Subtenant shall continue to pay on the basis of the prior year's estimate until the notice is given. On receipt of the notice, the estimated amount shall be divided into twelve (12) equal monthly installments; and on the first day of the month following such notice, Subtenant shall pay an amount equal to one monthly installment multiplied by the number of months from January of such Expense Year to the month of payment, less any payments already made for those months, plus the monthly installment due on the date of such payment, and on the first day of each succeeding month in such Expense Year, shall pay to Sublandlord an amount equal to one monthly installment. With reasonable promptness after the end of each Expense Year in which Subtenant is obligated to pay Expenses, Sublandlord shall furnish Subtenant with a statement ("**Sublandlord's Expense Statement**") setting forth in reasonable detail the actual Expenses for such Expense Year, and Subtenant's Share of Expenses. If Subtenant's Share of the actual Expenses for such Expense Year exceeds the estimated Expenses paid by Subtenant for such Expense Year, Subtenant shall pay to Sublandlord the difference within fifteen (15) days after receipt of Sublandlord's Expense Statement; and if the total amount paid by Subtenant for any such Expenses for such Expense Year exceeds Subtenant's Share of actual Expenses for such Expense Year, such excess shall be credited against the next installment of estimated Expenses or other Rent due from Subtenant to Sublandlord hereunder. If any part of the first or the last year of the

Term shall include part of an Expense Year, Subtenant's obligations under this Section shall be apportioned so that Subtenant shall pay only for such parts of such Expense Years as are included in the Term.

(b) **"Expenses"** means all expenses paid or incurred by Sublandlord for maintaining, operating, owning and repairing the first floor lobby, first floor bathrooms, and elevators located within the Building (the **"Common Areas"**), and the personal property used in conjunction with the Common Areas.

Expenses shall not include any of the following: (a) costs of capital improvements except those which are (i) intended to reduce current or future Expenses, or (ii) to enhance the safety or security of the Building or its occupants, or (iii) required under any governmental law or regulation not applicable to the Building as of the Lease Commencement Date or first enforced after the Lease Commencement Date; (b) Sublandlord's general corporate overhead and administrative costs associated with the creation, organization or operation of Sublandlord's business, including partnership accounting and legal matters, and including without limitation salaries, wages, fringe benefits and other expenses for Sublandlord's officers and partners; (c) profit paid to Sublandlord or its subsidiaries or affiliates for goods and/or services; (d) costs associated with financing or refinancing any portion of the Building, and costs associated with or arising from a change of ownership of any interest in Sublandlord or the Land and interest, fees and financing costs related to any of the foregoing; (e) costs exclusively attributable to the Skating Facility and Restaurant (as defined in the Ground Lease); (f) [intentionally deleted]; (g) recoveries from a other third party that reimburses Sublandlord for Expenses incurred as a result of such person's acts, omissions, negligence, defaults or contract or lease violations; (h) reserves; (i) costs of replacing or expanding the Building, Premises or Land; (j) costs of performing improvement work or repairs to other subtenants' (if any) premises in the Building; (k) legal fees, leasing commissions, Subtenant improvement costs, concessions, and other indirect payments, advertising and marketing expenses and other costs incurred in connection with the leasing of the Premises, Building or Land or the improvement thereof for leasing purposes; (l) recoveries from Sublandlord's insurance policies that reimburse Sublandlord for expenses which have previously been included or which would otherwise be included in Expenses; (m) costs, liabilities and losses relating to the abatement or cleanup of Hazardous Substances; (n) costs related to Sublandlord's violation of applicable law; (o) costs attributable to Sublandlord's or other subtenants' (if any) negligence or breach of a lease, law or any other agreement; (p) rents and other payments on any ground or underlying lease; (q) charitable contributions; and (r) depreciation on the Building.

(d) **"Expense Year"** means each twelve (12) consecutive month period commencing January 1 of each year during the Term.

11. **TAXES PAYABLE BY SUBTENANT.** To the extent applicable, Subtenant shall pay, before the same become delinquent, all taxes assessed or levied against Subtenant's furniture, fixtures, equipment and other property in the Premises. Subtenant shall pay to Sublandlord, as Additional Rent, within ten (10) days after notice of the amount thereof, any tax upon rent payable under this Lease or any tax or fee in any form (except net income tax) payable by Sublandlord due to or measured by receipts or income of Sublandlord derived from this Lease. Taxes shall not include any estate, inheritance, gift, transfer, new worth, intangible, franchise or income taxes of Sublandlord, nor shall taxes include any interest or penalties incurred by Sublandlord for the late payment of any taxes.

12. **INDEMNIFICATION.**

(a) To the fullest extent permitted by law, Subtenant shall defend, indemnify and hold harmless Sublandlord, and its respective affiliates and subsidiaries, and all of their respective officers, members, managers, trustees, directors, shareholders, agents, employees, servants, partners, representatives, insurers, lenders, contractors, invitees and licensees (collectively, the **"Sublandlord Parties"**), from and against, and shall reimburse the Sublandlord Parties for, any and all Claims and Injuries (as defined below) incurred in any way in connection with or arising from, in whole or in part, the following: (a) the use, occupancy or manner of use of occupancy of the Premises by Subtenant or by any Subtenant Parties (as defined below), including without limitation the conduct of Subtenant's business in the Premises and Subtenant's early access to the Premises; (b) any negligent act, willful misconduct, act or omission done, permitted or suffered by any Subtenant Parties; (c) any misrepresentation made by any Subtenant

Parties in connection with this Lease; (d) any breach or default under this Lease by Subtenant in the observance or performance of any of the terms, covenants, or conditions of this Lease on Subtenant's part to be observed or performed; or (e) any personal injury or death or property damage, theft, or loss arising from any event in the Premises or the use of the Common Areas by any Subtenant Parties.

If and to the extent the provisions of RCW 4.24.115 apply to an act or omission which results in an indemnification claim hereunder, and if the Claims and Injuries incurred by either of Subtenant or Sublandlord is caused by or results from the concurrent negligence of any Subtenant Parties and/or any Sublandlord Parties, in the case of Subtenant's indemnification obligation, such obligation shall apply only to the extent of the negligence of the Subtenant Parties, and in the case of Sublandlord's indemnification obligation (if any), such obligation shall apply only to the extent of the negligence of the Sublandlord Parties; provided, to the extent the provisions of RCW 4.24.115 do not apply to an act or omission that results in an indemnification claim hereunder, it is understood that Subtenant's obligation to indemnify Sublandlord and the Sublandlord Parties hereunder shall apply **EVEN IF SUCH CLAIMS OR INJURIES ARE CAUSED BY THE CONCURRENT NEGLIGENCE OF SUBLANDLORD OR ANY SUBLANDLORD PARTY**. This Section 12 shall survive the expiration or earlier termination of this Lease.

"Subtenant Parties" shall mean Subtenant and its employees, city council members and the City Manager.

"Claims and Injuries" shall mean all claims, liabilities, damages, losses, costs, liabilities, penalties, causes of action (whether in tort or contract, in law, at equity or otherwise) and expenses, including, without limitation, reasonable attorneys' fees and expenses.

Neither Sublandlord nor its property manager (or their respective agents or employees) shall be liable for any loss or damage to person or property (including without limitation electronic information and data) sustained by Subtenant or any Subtenant Party, which may be caused by the Premises, Building, or any appurtenances thereto, being out of repair, or by the bursting or leakage of any water, gas, sewer, or steam pipes, or by theft or by any act or neglect or omission of any other subtenant or occupant of the Building, or of any other person, or by any other cause of whatsoever nature, unless caused by the gross negligence of Sublandlord or its property manager (or their respective agents or employees).

(b) Notwithstanding anything in this Section 12 to the contrary, the foregoing indemnity shall not apply to any Claims and Injuries to the extent resulting from the sole negligence or willful misconduct of Sublandlord or the Sublandlord Parties and not insured (or required to be insured) by Subtenant under this Lease.

THE FOREGOING INDEMNITIES ARE SPECIFICALLY AND EXPRESSLY INTENDED TO CONSTITUTE A WAIVER OF THE PARTIES' IMMUNITY UNDER WASHINGTON'S INDUSTRIAL INSURANCE ACT, RCW TITLE 51, TO THE EXTENT NECESSARY TO PROVIDE THE INDEMNIFIED PARTIES WITH A FULL AND COMPLETE INDEMNITY FROM CLAIMS MADE BY THE OTHER PARTY AND ITS EMPLOYEES, TO THE EXTENT PROVIDED HEREIN. THIS WAIVER IS SPECIFICALLY NEGOTIATED BY SUBLANDLORD AND SUBTENANT AND IS SOLELY FOR THE BENEFIT OF SUBLANDLORD AND SUBTENANT AND THEIR SUCCESSORS AND ASSIGNS AND IS NOT INTENDED AS A WAIVER OF RIGHTS OF IMMUNITY UNDER SAID INDUSTRIAL INSURANCE FOR ANY OTHER PURPOSE.

13. INSURANCE.

(a) Use Rate. [NTD: Revise to provide for self-insurance.] Subtenant shall not carry any stock of goods or do anything in or about the Premises which will cause an increase in insurance rates on the Building. In no event shall Subtenant perform any activities which would invalidate any insurance coverage on the Building or the Premises. Subtenant shall pay on demand any increase in premiums that may be charged as a result of Subtenant's use or activities or vacating or otherwise failing to occupy the Premises. In no event shall the limits of insurance required to be maintained by Subtenant pursuant to this Lease be deemed to limit Subtenant's liability.

(b) General Liability Insurance. Subtenant shall from and after the earlier of the Commencement Date or date Sublandlord delivers possession of the Premises to Subtenant and throughout the Term, at its sole expense, maintain in full force a policy or policies of Commercial General Liability (CGL) insurance including contractual liability, on an occurrence basis, with coverage at least as broad as the most commonly available ISO Commercial General Liability policy CG 00 01, and with limits of at least Five Million Dollars (\$5,000,000) per occurrence and in the general aggregate, and including any necessary and appropriate extensions to comply with the additional requirements of this Lease. These minimum required limits may be satisfied by a combination of primary and Umbrella or Excess Liability limits. If more than one of Subtenant's locations are insured under a Commercial General Liability policy that is subject to a general aggregate limit, then Subtenant's policy shall include ISO form CG 25 04 - Aggregate Limits of Insurance Per Location, evidencing compliance with the minimum limits described in this Section 13. Such insurance shall also cover independent contractor's liability, products and completed operations liability, and personal injury liability.

(c) Worker's Compensation Insurance. Subtenant shall at all times maintain Worker's Compensation insurance in compliance with federal, state and local law and Employer's Liability coverage (contingent liability/stop gap) in the amount of \$1,000,000 each accident; \$1,000,000 bodily injury by disease policy limit; and \$1,000,000 bodily injury each employee.

(d) Other. Sublandlord may by no less than ninety (90) days notice, require Subtenant to increase the level of coverage or to procure other insurance coverage not described herein provided such limits or coverage are generally comparable to the limits or coverage required by owners of comparable buildings or if such changes are required by Sublandlord's lender.

(e) Property Insurance/Business Income.

(i) Sublandlord's Insurance. Sublandlord shall pay for and shall maintain in full force and effect during the Term all insurance required under the Ground Lease. All costs thereof shall be included in Expenses. If Sublandlord purchases insurance for the Building together with other properties owned by Sublandlord or its affiliates, Expenses shall include the portion of such costs that would have been incurred had such insurance been purchased on a stand-alone basis without regard to the larger portfolio.

(ii) Subtenant's Insurance. Subtenant shall pay for and shall maintain in full force and effect during the Term property insurance covering the leasehold improvements to the Premises made by or for Subtenant, Subtenant alterations, furniture, fixtures, equipment, inventory and other personal property located on the Premises, in an amount of not less than one hundred percent (100%) of replacement cost with no coinsurance penalty, on a "Special Form" or "All Risks" basis on a form at least as broad as ISO form CP 10 30 (or equivalent Business Owner's Policy), with flood and earthquake coverage if Sublandlord or its lender deems such insurance to be necessary or desirable, and including replacement cost coverage for owned or rented equipment and tools brought onto or used at the Building by Subtenant. Subtenant shall also obtain and maintain Business Income and Extra Expense coverage with a period of indemnity of not less than twelve (12) months.

(g) Reserved.

(h) General Requirements. Subtenant shall provide Sublandlord with certificates of insurance and endorsements evidencing the insurance required under this Lease, together with satisfactory evidence of the payment of premiums therefor, prior to entering onto the Premises for any purpose, and thereafter not less than thirty (30) days prior to the expiration of the original or any renewal term of such insurance.

(i) Licensed in State. All policies of insurance required to be carried hereunder by Subtenant must be written by companies reasonably satisfactory to Sublandlord and licensed to do business in the State of Washington. All policies of insurance required to be maintained by Subtenant shall be issued by insurance companies with an A.M. Best's financial strength rating of "A-" or better and an

A.M. Best's Financial Size Category of Class "IX" or higher, and shall not contain a deductible greater than \$2,500 or any self-insured retention unless expressly approved in writing by Sublandlord.

(j) Primary. All policies of liability insurance required to be carried hereunder by Subtenant shall contain a clause that such policy and the coverage evidenced thereby shall be primary and non-contributing with respect to any policies carried by Sublandlord, and that any coverage carried by Sublandlord shall be excess insurance. All insurance coverage must be on an "occurrence" basis and "claims made" insurance is not acceptable. All policies carried by Subtenant shall contain a severability of interests endorsement.

(k) Additional Insured. Subtenant's liability policies shall name Sublandlord, its property manager, and such other parties as Sublandlord may designate from time to time, as additional insureds utilizing ISO Endorsement CG 20 1101 96 or its equivalent. "Certificate holder" status alone is not acceptable. Sublandlord shall be listed as a "loss payee" on Subtenant's property insurance policies as its interests may appear.

(l) Notice of Cancellation. Subtenant's policies of insurance shall not be subject to cancellation or reduction in coverage except upon at least thirty (30) days prior written notice to each additional insured. If Subtenant fails to comply with the insurance requirements set forth in this Lease, Sublandlord shall have the right, but not the obligation, at any time and from time to time, without notice, to procure such insurance and/or pay the premium for such insurance, in which event Subtenant shall repay Sublandlord, immediately upon demand by Sublandlord, as Additional Rent, all sums so paid by Sublandlord together with interest thereon and any costs or expenses incurred by Sublandlord in connection therewith, without prejudice to any other rights and remedies of the Sublandlord under this Lease.

14. LIENS AND INSOLVENCY. Subtenant covenants and agrees to keep the Premises and every part thereof and all improvements thereto free and clear of and from any and all mechanics', material suppliers and other liens for: (a) work or labor done, services performed, materials, appliances, or power contributed, used or furnished, or to be used, in or about the Premises for or in connection with any operations of Subtenant; (b) the Building; or (c) any work or construction by, for or permitted by Subtenant on or about the Premises (collectively, "**Liens**"). Subtenant shall promptly and fully pay and discharge any and all claims upon which any such Lien may or could be based, and keep the Premises free and clear of, and save and hold Sublandlord and the Premises harmless from, any and all such Liens and claims of Liens, damages, liabilities, costs (including, without limitation, attorneys' fees and costs), suits or other proceedings pertaining thereto.

15. DAMAGE OR DESTRUCTION. Subject to the terms and conditions of this Section, in the event the Premises, or access thereto, is destroyed or damaged by fire, earthquake, or other casualty to such an extent as to render the same untenantable, in whole or in substantial part, then Sublandlord may, at its option and to the extent permitted by laws and covenants, conditions and restrictions then applicable to the Building, proceed to repair and restore the Premises, or access thereto, to substantially the same condition as existed immediately prior to such destruction or damage and this Lease shall continue in full force and effect, except that Sublandlord shall not be obligated to (i) repair or restore any modifications or alterations performed by Subtenant, trade fixtures, equipment and personal property, all of which Subtenant shall be required to repair or restore and (ii) repair or restore any above-standard Subtenant improvements or other items installed or contained in the Premises. If Sublandlord elects to repair or restore the Premises pursuant to this Section, then Base Rent shall abate during such period of repair or restoration in the same ratio that the portion of the Premises which is untenantable and unused by Subtenant bears to all of the Premises, except that if the damage or destruction is due to the fault or neglect of Subtenant or its agent or employees, then there shall be no abatement of Base Rent. Sublandlord shall provide Subtenant with written notice of Sublandlord's decision to repair and restore the Premises, or access thereto, within ninety (90) days after the date of damage or destruction.

Notwithstanding anything to the contrary in this Lease, in the event that the Premises, or access thereto, is destroyed or damaged by fire, earthquake, or other casualty to such an extent that, in the opinion of Sublandlord, it shall not be possible or practicable to rebuild or repair or if the destruction or damage

occurs within the last twelve (12) months of the Term or any extension term, then Sublandlord may terminate this Lease by providing written notice thereof to Subtenant within ninety (90) days after the date of such destruction or damage.

Subtenant shall give written notice to Sublandlord of any damage to the Premises caused by fire, earthquake or other casualty as soon as reasonably practical following such damage but in no event more than five (5) business days after the occurrence of such event.

16. ASSIGNMENT AND SUBLETTING.

(a) Consent Required. Neither this Lease nor any right hereunder nor the Premises may be assigned, transferred, encumbered or sublet in whole or in part by Subtenant, expressly or by operation of law or otherwise, without Sublandlord's prior written consent, which may not be unreasonably withheld, conditioned or delayed.

(b) Assumption of Liability. As a condition to Sublandlord's approval, any prospective assignee or sublessee otherwise approved by Sublandlord shall assume all obligations of Subtenant under this Lease and shall be jointly and severally liable with Subtenant for the payment of Rent and the performance of all terms, conditions, covenants and agreements contained in this Lease; provided that any approved sublessee shall be liable for rent in the amount set forth in the sublease. Subtenant shall provide Sublandlord with copies of all assignments, subleases and assumption documents.

(c) Conditional Consent. Any consent by Sublandlord to any assignment or subletting may be subject to such terms and conditions as Sublandlord shall determine and all such terms and conditions shall be binding upon any person holding by, under or through Subtenant.

(d) Notice of Proposed Assignment of Sublease. If Subtenant wishes to assign this Lease or sublet the Premises or any part thereof, Subtenant shall first give written notice to Sublandlord of its intention to do so, which notice shall contain the name of the proposed assignee or Subtenant (collectively "**Transferee**"), the nature of the proposed Transferee's business to be carried on in the Premises, the terms and provisions of the proposed assignment or sublease, and such financial and other information with respect to the proposed Transferee and transfer as Sublandlord may reasonably require.

(e) Assignment Documentation. No assignment shall be binding on Sublandlord unless Subtenant and the Transferee shall deliver to Sublandlord a counterpart of the assignment and an instrument in recordable form that contains a covenant of assumption by the Transferee satisfactory in form and substance to Sublandlord and consistent with the requirements of this Section 16. The failure or refusal of the Transferee to execute an instrument of assumption shall not release or discharge the Transferee from its obligations set forth above.

(f) License. Notwithstanding anything to the contrary contained in this Lease, Subtenant shall have the right, without Sublandlord's consent, to enter into licenses or use agreements with members of the public and/or community groups for purposes of utilizing the Premises on a nonexclusive basis.

17. QUIET ENJOYMENT. Sublandlord agrees that Subtenant, upon full and prompt performance of all of its obligations under this Lease including without limitation payment of all sums due hereunder as and when due, shall have quiet and peaceful possession of the Premises during the Term without disturbance by Sublandlord or any party claiming under Sublandlord, subject to the other terms and provisions of this Lease.

18. SIGNS. Subtenant shall have the right to place signage on the interior and exterior of the Building all as reasonably approved by Sublandlord. The aforementioned signage shall be installed prior to the Commencement Date of this Lease. Subtenant shall not place upon or install on windows, walls, or exterior doors of the Premises or any part of the Premises visible from the exterior of the Premises any

signs, symbols, canopies, awnings, window coverings or other advertising or decorative material without obtaining the prior written consent of Sublandlord.

19. ACCESS. Following no less than twenty-four (24) hours advance notice, except in the event of an emergency, Subtenant will permit Sublandlord and its agents to enter into and upon the Premises at all reasonable times for the purposes of inspecting, cleaning, repairing, altering or improving the Premises or the Building. Nothing contained in this Section shall be deemed to impose any obligation upon Sublandlord not expressly stated elsewhere in this Lease. When reasonably necessary, Sublandlord may temporarily close entrances, doors, corridors, elevators or other facilities without liability to Subtenant by reason of such closure and without such action by Sublandlord being construed as an eviction of Subtenant or as relieving Subtenant from the duty of observing and performing any of the provisions of this Lease.

20. TRADE FIXTURES. Subtenant may install in the Premises such equipment as is customarily used in the type of business conducted by Subtenant on the Premises. Upon the expiration or sooner termination of this Lease, Subtenant shall, at its expense, remove from the Premises all such equipment and all other property of Subtenant and shall repair any damage to the Premises and the Building occasioned by such removal. Any property left in the Premises after the expiration or sooner termination of this Lease shall be deemed to have been abandoned by Subtenant and shall become the property of Sublandlord to dispose of as Sublandlord deems expedient without accounting to Subtenant therefor.

21. CONDEMNATION. If all of the Premises, or such portions of the Building as may be required for the reasonable use of the Premises, are taken by eminent domain, this Lease shall automatically terminate as of the date Subtenant is required to vacate the Premises and all Rent shall be paid to that date. In case of a taking of a part of the Premises, or a portion of the Building not required for the reasonable use of the Premises, then this Lease shall continue in full force and effect, except as otherwise provided below, and where a portion of the Premises is taken, the Base Rent and Additional Rent under Section 1(f) shall be equitably reduced based on the proportion by which the floor area of the Premises is reduced, such reduction to be effective as of the date possession of such portion is delivered to the condemning authority. If any part of the Building is taken (whether or not the Premises are affected) and, in the opinion of Sublandlord, it is not economically feasible to continue this Lease in effect, Sublandlord may terminate this Lease effective as of the date of such taking and all Base Rent and Additional Rent under Section 10 hereof shall be paid to that date. Sublandlord reserves all rights to damages to the Premises for any taking by eminent domain, and Subtenant hereby assigns to Sublandlord any right Subtenant may have to such damages or award, and Subtenant shall make no claim against Sublandlord for damages for termination of the leasehold interest or interference with Subtenant's business. Subtenant shall have the right, however, to claim and recover from the condemning authority compensation for any costs or loss which Subtenant may incur for Subtenant's moving expenses and for the interruption of or damage to Subtenant's business, provided, that such damages may be claimed only if they are awarded separately in the eminent domain proceeding and not as part of the damages recoverable by Sublandlord.

22. DEFAULTS AND REMEDIES.

(a) Event of Default. Time is of the essence hereof. An "**Event of Default**" shall mean Subtenant's violation, breach or failure to keep or perform any covenant, agreement, term or condition of this Lease or the rules and regulations applicable to the Building, if such violation, breach or failure shall continue or shall not be remedied within three (3) days after the applicable due date (or, if no default in Rent is involved, within ten (10) days after notice in writing thereof is given by Sublandlord to Subtenant, specifying the matter claimed to be in default). In the event Subtenant is granted any option to renew this Lease or to expand or reduce the size of the Premises hereunder, such option(s) shall become void and of no force or effect in the event Sublandlord delivers to Subtenant two or more notices of default as a result of Subtenant's defaults under this Lease.

(b) Remedies. If any Event of Default occurs, Sublandlord may at any time after such occurrence, with or without notice or demand except as stated in this paragraph, and without limiting

Sublandlord in the exercise of any right or remedy at law which Sublandlord may have by reason of such Event of Default, exercise the rights and remedies, either singularly or in combination, as are specified or described in the subparagraphs of this paragraph.

(i) Sublandlord may terminate this Lease and all rights of Subtenant under this Lease either immediately or at some later date by giving Subtenant written notice that this Lease is terminated. If Sublandlord so terminates this Lease, then Sublandlord may recover from Subtenant the sum of:

(A) the unpaid Base Rent, Additional Rent and all other sums payable under this Lease which have been earned at the time of termination; plus

(B) interest at the Default Rate on the unpaid Base Rent, Additional Rent and all other sums payable under this Lease which have been earned at the time of termination; plus

(C) the amount by which the unpaid Base Rent, Additional Rent and all other sums payable under this Lease which would have been earned after termination until the time of award exceeds the amount of such rental loss, if any, as Subtenant affirmatively proves could have been reasonably avoided and interest on such excess at the Default Rate; plus

(D) the amount by which the aggregate of the unpaid Base Rent, Additional Rent and all other sums payable under this Lease for the balance of the Term after the time of award exceeds the amount of such rental loss, if any, as Subtenant affirmatively proves could be reasonably avoided, with such difference being discounted to present value at the Prime Rate at the time of award; plus

(E) any other amount necessary to compensate Sublandlord for the detriment proximately caused by Subtenant's failure to perform Subtenant's obligations under this Lease or which, in the ordinary course of things, would be likely to result from such failure, including, leasing commissions, Subtenant improvement costs, Sublandlord staff time, renovation costs, any abated Rent (as set forth in Section 1(g) above), Sublandlord Concessions (as defined below), and advertising costs; plus

(F) all such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law.

(ii) Sublandlord shall also have the right, with or without terminating this Lease, to re-enter the Premises and remove all persons and property from the Premises. Sublandlord may cause property so removed from the Premises to be stored in a public warehouse or elsewhere at the expense and for the account of Subtenant.

(iii) Sublandlord shall also have the right, without terminating this Lease, to accelerate and recover from Subtenant the sum of all unpaid Base Rent, Additional Rent and all other sums payable under the then remaining term of this Lease, discounting such amount to present value at the Prime Rate.

(iv) If Subtenant vacates, abandons or surrenders the Premises without Sublandlord's consent, or if Sublandlord re-enters the Premises as provided herein or takes possession of the Premises pursuant to legal proceedings or through any notice procedure provided by law, then, if Sublandlord does not elect to terminate this Lease, Sublandlord may, from time to time, without terminating this Lease, either (a) recover all Base Rent, Additional Rent and all other sums payable under this Lease as they become due or (b) relet the Premises or any part of the Premises on behalf of Subtenant for such term or terms, at such rent or rents and pursuant to such other provisions as Sublandlord, in its sole discretion, may deem advisable, all with the right, at Subtenant's cost, to make alterations and repairs to the Premises and recover any deficiency from Subtenant.

(v) None of the following remedial actions, singly or in combination, shall be construed as an election by Sublandlord to terminate this Lease unless Sublandlord has in fact given Subtenant written notice that this Lease is terminated: (a) an act by Sublandlord to maintain or preserve the Premises; (b) any efforts by Sublandlord to relet the Premises; (c) any repairs or alterations made by Sublandlord to the Premises; (d) re-entry, repossession or reletting of the Premises by Sublandlord pursuant to this paragraph; or (e) the appointment of a receiver, upon the initiative of Sublandlord, to protect Sublandlord's interest under this Lease. If Sublandlord takes any of the foregoing remedial action without terminating this Lease, Sublandlord may nevertheless at any time after taking any such remedial action terminate this Lease by written notice to Subtenant.

(vi) If Sublandlord relets the Premises, Sublandlord shall apply the revenue from such reletting as follows: first, to the payment of any indebtedness of Subtenant to Sublandlord (other than Rent due under this Lease); second, to the payment of any costs and expenses of obtaining possession of the Premises and of any such reletting (including without limitation attorney fees, finders' fees, leasing commissions, alterations and repairs); third, to the payment of any Rent due and unpaid under this Lease. Sublandlord shall hold and apply the residue, if any, to payment of future Base Rent, Additional Rent and other sums payable under this Lease as the same become due, and shall deliver the eventual balance, if any, to Subtenant. Should revenue from letting during any month, after application pursuant to the foregoing provisions, be less than the sum of the Base Rent, Additional Rent and other sums payable under this Lease and Sublandlord's expenditures for the Premises during such month, Subtenant shall be obligated to pay such deficiency to Sublandlord as and when such deficiency arises.

Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies provided in this Lease or by law (all such remedies being cumulative), nor shall pursuit of any remedy provided in this Lease constitute a forfeiture or waiver of any Base Rent, Additional Rent or other sum payable under this Lease or of any damages accruing to Sublandlord by reason of the violation of any of the covenants or conditions contained in this Lease.

If Subtenant fails to make any payment or perform any of its obligations under this Lease, Sublandlord may, without notice to or demand upon Subtenant and without waiving or releasing Subtenant from any obligations under this Lease, make such payment or perform such obligation of Subtenant in such manner and to such extent as Sublandlord deems desirable. All sums paid by Sublandlord and all necessary costs and expenses in connection with the performance of any such obligation by Sublandlord, together with interest at the Default Rate, compounded monthly, from the date Sublandlord makes such expenditure, shall be deemed Additional Rent hereunder and shall be payable to Sublandlord on demand. Sublandlord may, but shall not be required to, undertake efforts to mitigate its damages resulting from Subtenant's default. Sublandlord shall not be required to take any action, in response to a Subtenant default, which Sublandlord deems to be contrary to its best economic interests.

Any agreement by Sublandlord to give, pay or provide to Subtenant: (i) free or abated rent or other charges; (ii) any cash or other bonus; (iii) any inducement, reimbursement or consideration for Subtenant's entering into this Lease (including but not limited to moving, Subtenant improvement, or decorating expenses or any allowance or credit) or for the performance of any construction or improvement by Sublandlord (collectively "**Sublandlord Concessions**") are conditioned upon Subtenant's full and faithful performance of all the terms, covenants and conditions of this Lease to be performed or observed by Subtenant. Upon the occurrence of a default by Subtenant, any such Sublandlord Concession shall, at Sublandlord's election and upon notice to Subtenant, be deemed deleted from this Lease, of no force or effect, and abated, and the amount or value of any such Sublandlord Concession shall be immediately due and payable by Subtenant to Sublandlord as Additional Rent due under this Lease.

23. **SURRENDER OF PREMISES.** Upon expiration or earlier termination of this Lease, subject to compliance with Section 7 of this Lease, Subtenant shall surrender the Premises in good, neat, clean and sanitary condition, ordinary wear and tear excepted. Subtenant hereby grants the right to Sublandlord, which right shall be exercisable if Subtenant ceases to operate its business on the Premises or substantially vacates the Premises during the last ninety (90) days of the Term, to (i) enter the Premises after five (5) days' written notice to Subtenant, and prepare the Premises for future leasing, including lock changes,

removal of Subtenant's property from the Premises and demolition of Subtenant improvements therein; and (ii) terminate this Lease upon written notice to Subtenant at any time during such 90-day period in Sublandlord's sole discretion. Upon the termination of this Lease pursuant to the preceding sentence, Subtenant shall receive a refund of prepaid Base Rent and Additional Rent, if any, attributable to the period after the effective date of termination of this Lease.

24. Intentionally deleted.

25. SUBORDINATION. Without the necessity of any additional document being executed by Subtenant, this Lease shall be subject and subordinate at all times to any mortgage, deed of trust, ground lease, master lease or airspace lease which may now exist or hereafter be executed (collectively, "**Security Documents**"), which affects all or any portion of the Land or the Building or all or any part of Sublandlord's interest in the Land or the Building, and to all renewals, modifications, extensions, substitutions, replacements and/or consolidations thereof. In addition, Sublandlord shall have the right to subordinate or cause to be subordinated any such Security Documents to this Lease. To the extent allowed by law, in the event of a foreclosure, conveyance in lieu of foreclosure or other proceeding for default under a Security Document, at the election of the holder of the Security Document, Subtenant shall attorn to and become the Subtenant of such holder as the Sublandlord under this Lease. Subtenant shall within fifteen (15) days of demand therefor execute any instruments or other documents which may be required by Sublandlord or the holder of a Security Document and specifically shall execute and deliver a subordination, non-disturbance and attornment agreement required by such holder who provides Subtenant with its standard form agreement. If Subtenant fails to execute and deliver any such instruments or other documents within fifteen (15) business days after Sublandlord's request, in addition to the other remedies provided for in this Lease, Subtenant shall pay Sublandlord a late charge of \$100.00 per day. The parties agree that this late charge represents a fair and reasonable estimate of the costs that Sublandlord will incur by reason of late delivery by Subtenant.

26. ESTOPPELS. At the written request of Sublandlord, Subtenant shall execute, acknowledge and deliver to Sublandlord or its designee a statement in writing (on such form as may be requested by Sublandlord) certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications), whether any party is in default or breach of this Lease or, with the giving of notice or lapse of time, or both, would be in default or breach of this Lease, and the dates to which the Base Rent and other charges have been paid in advance, if any. It is agreed that any such certificate may be relied on by a prospective purchaser or a mortgagee of all or any part of Sublandlord's interest in the Building, or the Land. If Subtenant shall fail to respond within ten (10) days after receipt of a written request by Sublandlord, Subtenant shall be deemed to have admitted the accuracy of any information supplied by Sublandlord to such purchaser or mortgagee.

27. NOTICES. All notices shall be given as set forth in Section 32 of the Ground Lease.

28. HAZARDOUS SUBSTANCES. Subtenant shall not cause or permit any Hazardous Substances (as defined in the Ground Lease) to be brought upon, kept or used in or about the Premises, the Building, or the Land by Subtenant, its agents, employees, contractors or invitees, unless such Hazardous Substances are necessary for Subtenant's business (and such business is a permitted use) and will be used, kept, and stored in a manner that complies with this Lease and all Environmental Requirements (as defined in the Ground Lease), provided that Subtenant first obtains the written consent of Sublandlord and provided further that Subtenant indemnifies Sublandlord from and against any and all liability with respect to such Hazardous Substances as more particularly described below. If Subtenant breaches the covenants and obligations set forth herein or, if the presence of Hazardous Substances on, in or about the Premises or any part of the Building or Land or any other property caused or permitted by Subtenant, its agents, employees, contractors or invitees, results in contamination of the Premises or any part of the Building or Land or any other property or, if contamination of the Premises or any part of the Building or Land or any other property by Hazardous Substances otherwise occurs for which Subtenant is legally liable to Sublandlord, then Subtenant shall indemnify and hold Sublandlord harmless from and against any and all claims, judgments, damages, penalties, fines, costs, liabilities and losses (including, without limitation, diminution in the value of the Premises, the Building or Land, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises or any part of the Building or Land, and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees) which arise during or after the Term as a result of such contamination. This indemnification by Subtenant of Sublandlord includes without limitation any and all costs incurred in connection with any investigation of site conditions and any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision because of the presence of such Hazardous Substances in, or about the Premises, the Building or Land or the soil or ground water on or under the Building or the surface of the Land. The provisions of this Section shall survive the termination of this Lease.

29. Reserved.

30. RECORDING. Unless both parties consent in writing, neither this Lease nor a memorandum of this Lease may be recorded.

31. LIGHT, AIR AND VIEW. Sublandlord does not guarantee the continued present status of light, air or view over any property adjoining or in the vicinity of the Building.

32. MISCELLANEOUS PROVISIONS.

(a) NONWAIVER: No failure by Sublandlord to insist upon the strict performance of any term, covenant, agreement, provision, condition or limitation of this Lease or to exercise any right or remedy upon a breach thereof, and no acceptance by Sublandlord of full or partial rent during the continuance of any such breach, shall constitute a waiver of any such breach or of such term, covenant, agreement, provision, condition or limitation. No term, covenant, agreement, provision, condition or limitation of this Lease and no breach thereof may be waived, altered or modified except by a written instrument executed by Sublandlord. No waiver of any breach shall affect or alter this Lease but each and every term, covenant, agreement, provision, condition and limitation of this Lease shall continue in full force and effect with respect to any other than existing or subsequent breach.

(b) ATTORNEY'S FEES: In the event of any action or proceeding at law or in equity between Sublandlord and Subtenant to enforce or interpret any provision of this Lease or to protect or establish any right or remedy of either party hereunder, the party not prevailing in such action or proceeding shall pay to the prevailing party all costs and expenses, including without limitation, reasonable attorneys' fees and expenses (including reasonable attorneys' fees and expenses of in-house attorneys), incurred therein by such prevailing party and if such prevailing party shall recover judgment in any such action or proceeding, such costs, expenses and attorneys' fees shall be included in and as a part of such judgment.

(c) CAPTIONS: The captions in this Lease are for convenience only and are not to be considered in the interpretation of Lease terms.

(d) GOVERNING LAW: This Lease shall be governed by and construed and interpreted in accordance with the laws of the State of Washington.

(e) ENTIRE AGREEMENT AND MODIFICATIONS: This Lease contains all agreements between Sublandlord and Subtenant. No prior agreements or understandings pertaining to the same shall be valid or of any force or effect. This Lease may not be modified except in writing signed by both parties.

(f) JOINT AND SEVERAL OBLIGATIONS: "Party" shall mean Sublandlord or Subtenant; and if more than one person or entity is Sublandlord or Subtenant, the obligations imposed on that party shall be joint and several.

(g) BROKER'S COMMISSIONS: Each party represents to the other that it has not had dealings with any real estate broker, finder, or other person who would be entitled to any commission or fee in connection with the negotiation, execution or delivery of this Lease. Subtenant hereby agrees to indemnify, defend and hold Sublandlord harmless of and from any and all damages, losses, costs, or expenses (including, without limitation, all attorneys' fees and disbursements) by reason of any claim of or liability to any other broker or other person claiming through the indemnifying party and arising out of or in connection with the negotiation, execution, and delivery of this Lease. The foregoing indemnity shall survive the expiration or sooner termination of this Lease. Additionally, except as may be otherwise expressly agreed upon by Sublandlord in writing, Subtenant acknowledges and agrees that Sublandlord and/or Sublandlord's agent shall have no obligation for payment of any brokerage fee or similar compensation to any person with whom Subtenant has dealt or may deal with in the future with respect to the leasing of any additional or expansion space in the Building or renewals or extensions of this Lease.

(h) RESERVED.

(i) SUCCESSOR AND ASSIGNS: All of the terms, conditions, covenants and agreements of this Lease are binding upon and, subject to the provisions of Section 16 of this Lease, shall inure to the benefit of Sublandlord, Subtenant, and their respective heirs, administrators, executors, successors and assigns.

(j) TIME: Time is of the essence of this Lease and of each and every term, covenant, agreement, condition and provision hereof.

(k) SEVERABILITY: In case any one or more of the provisions of this Lease shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Lease, and this Lease shall be construed as if such invalid, illegal or unenforceable provisions had not been contained herein.

(l) INTERPRETATION: This Lease has been submitted to the scrutiny of all parties and their counsel, if desired, and shall be given a fair and reasonable interpretation, without consideration or weight being given to its having been drafted by any party or such party's counsel.

(m) REMEDIES CUMULATIVE: The specified remedies to which Sublandlord may resort under the terms of this Lease are cumulative and are not intended to be exclusive of any other remedies available to Sublandlord at law, in equity, or otherwise.

(o) COUNTERPARTS: This Lease may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

(p) GROUND LEASE: This Lease is subject to the Ground Lease. To the extent there is any conflict between any provisions, terms and conditions of this Lease and the Ground Lease, the provisions, terms and conditions of the Ground Lease shall control.

[Remainder of the page intentionally blank; signatures to follow.]

IN WITNESS WHEREOF, the parties have executed this Lease as of the dates written below.

SUBLANDLORD:

By: _____
Name: _____
Its: _____

SUBTENANT:

City of Kirkland, a municipal corporation

By: _____
Name: _____
Its: _____

EXHIBIT "A"
LEGAL DESCRIPTION

EXHIBIT "B"
FLOOR PLAN OF PREMISES

EXHIBIT “C”
SUBLANDLORD’S WORK

Exhibit E
Facility Operations and Lease Agreement

[Attached]

FACILITY OPERATIONS AND LEASE AGREEMENT

THIS FACILITY OPERATIONS AND LEASE AGREEMENT (this “**Agreement**”) dated [_____, ____] (the “**Effective Date**”) is made by and between the City of Kirkland, a Washington municipal corporation (the “**City**”), and [_____] LLC], a Delaware limited liability company, a Washington limited liability limited partnership (“**Tenant**”).

RECITALS:

A. The City and Seattle Hockey Partners LLC, a Delaware limited liability company (“**SHP**”) entered into that certain Agreement to Lease, dated as of [_____, 2025] (“**Agreement to Lease**”), and SHP assigned its rights and obligations under the Agreement to Lease to its affiliate _____, which entered into that certain Ground Lease, dated [_____, ____] with the City (“**Ground Lease**”);

B. In accordance with the terms of the Ground Lease, the City acquired the Improvements (as defined in the Ground Lease) and accordingly, the Ground Lease terminated.

C. Pursuant to the terms of the Agreement to Lease and the Ground Lease, the City and Tenant are required to enter into this Agreement to provide for Tenant’s long-term use of the Facility, subject to the terms and conditions set forth herein.

NOW, THEREFORE, intending to be legally bound hereby, and for good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

AGREEMENT

ARTICLE 1 DEFINITIONS

1.1 Definitions. As used in this Agreement, the following terms shall have the following meanings:

“Additional Notice” is defined in Section 13.4.3.

“ADR” is defined in Section 17.3.

“All Risk” is defined in Section 8.3.1.

“Applicable Law” means all present and future laws, statutes, regulations, ordinances, resolutions and orders of any Governmental Authority applicable to the Leased Premises and the Parties.

“Applicable Rate” means the prime rate as announced by Bank of America, N.A. or its successor on the date the relevant payment hereunder is due.

“Applicable Standard” means operating, maintaining, repairing, re-equipping and improving the Facility and each and all of the major systems and components thereof, in a (A) first class manner, in good order and safe condition and (B) in at least the condition as the Kraken Community Iceplex located in Seattle, Washington is maintained.

“Appraiser” is defined in Section 4.1.3.

“Bankruptcy Proceedings” is defined in Section 15.1.6.

“Base Rent” is defined in Section 4.1.1.

“CapEx Contribution” is defined in Section 6.3.2.

“CapEx Expenses” is defined in Section 6.1.

“CapEx Fund” means that certain capital reserve fund to be created and funded as described in Article 6 to pay for CapEx Work.

“CapEx Work” is defined in Section 6.1.

“CapEx Work Plan” is defined in Section 5.1.2.

“Catastrophic Damage” is defined in Section 6.6.1.

“City” means the City of Kirkland, Washington.

“City Default” is defined in Section 15.3.

“City Indemnified Party” is defined in Section 20.15.1.

“Community Center” means that certain community center space located on the second floor of the Facility consisting of approximately 13,500 square feet of public community center space, of which 12,614 is usable square feet, depicted on Exhibit A-3 attached hereto.

“Condemnation” and “Condemn” are defined in Section 19.1.

“Condemnation Award” is defined in Section 19.1.

“County” means King County, Washington.

“CPI” means the Consumer Price Index for Urban Wage Earners and Clerical Workers determined by the U.S. Department of Labor, Bureau of Labor Statistics U.S. City Average; all items, not seasonally adjusted, 1982–1984=100 reference base, or if such index is no longer published, a successor or substitute index reasonably designated by the City, published by a governmental agency and reflecting changes in consumer prices in the Seattle Area.

“CPI Change” means, with respect to a particular dollar amount or matter which is to be adjusted by reference to the CPI pursuant to an express provision in this Agreement, the percentage increase in the CPI, if any, for the ensuing Lease Year as determined by the CPI published at the end of the preceding October of the Lease Year being measured; in no event shall a CPI Change decrease any amount or rate calculated pursuant to this Agreement.

“Damage” means any occurrence or casualty constituting an incident of Catastrophic Damage or non-Catastrophic Damage.

“Default Rate” shall mean a monthly interest rate equal to the lesser of: (a) the Applicable Rate, plus four (4) percentage points, or (b) the maximum rate of interest per annum permitted by Applicable Law.

“Effective Date” shall have the meaning set forth in the introductory paragraph.

“Estoppel Certificate” is defined in Section 20.15.4.

“Facility” means that certain building of approximately ____ rentable square feet, two story Seattle Kraken branded, two (2) ice rink facility with rink seating and a restaurant, consisting of gross square footages of approximately (i) 62,500 square feet of ice rinks and seating, and (ii) no less than 2,300 square feet of restaurant space, developed in accordance with that certain Request for Qualifications issued by the City entitled “Developer of Ice Skating Facilities, Restaurant and Community Center”, Job #06-25-CMO, issue date February 24, 2025 all as depicted on Exhibit A-1.

“Facility Assessment” means a comprehensive facility assessment as may be conducted from time to time pursuant to Section 5.6.

“Facility Lobby” shall mean the lobby serving the skating facility, restaurant and Community Center.

“Facility Management Plan” is defined in Section 5.1.2.

“Facility Obligations” is defined in Section 7.1.1.

“Force Majeure” is defined in Section 20.5.

“Franchise” means the franchise granted to Tenant Parent by the National Hockey League commonly known as the “Seattle Kraken”.

“Guarantors” is defined in Section 20.24.

“Guaranty” is defined in Section 20.24.

“Governmental Authority” means any and all entities, courts, boards, agencies, commissions, offices, divisions, subdivisions, departments, bodies or authorities of any nature whatsoever of any governmental unit (federal, state, regional, county, city or otherwise) whether now or hereafter in existence, but specifically excluding the City.

“Initial Term” means the Initial Term of this Agreement as set forth in Section 2.2.

“Insurance Trustee” is defined in Section 6.6.6.

“Insured Property” is defined in Section 8.1.

“Lease Year” means the twelve-month period commencing on January 1 and ending on December 31 of each year during the Term.

“Leased Premises” is defined in Section 2.1.

“Leasehold Estate” means the estate of Tenant created by this Agreement upon and subject to all

the terms and conditions of this Agreement.

“Leasehold Mortgage” means a mortgage, deed of trust and/or other security instrument or instruments by which Tenant’s Leasehold Estate is mortgaged, conveyed, assigned or otherwise transferred, to secure a debt or other obligation.

“Leasehold Mortgagee” means a beneficiary under a deed of trust or a holder of a mortgage and/or other security instrument or instruments by which Tenant’s Leasehold Estate is mortgaged, conveyed, assigned or otherwise transferred, to secure a debt or other obligation.

“Maintenance” is defined in Section 3.2.2.

“Maintenance Expenses” is defined in Section 3.2.3.

“Maintenance Plan” is defined in Section 5.1.2.

“Minimum Balance” is defined in Section 6.4.2.

“Monthly CapEx Fund Payments” is defined in Section 4.2.

“Neutral Appraiser” is defined in Section 4.1.4.

“New Lease” is defined in Section 13.4.6.

“Non-Covered Amount” is defined in Section 6.6.3

“Operating Expenses” is defined as all insurance premiums and deductibles, debt service, operating expenses, permit and license fees, costs of construction, utilities and services, maintenance, repair, replacement, rebuilding, restoration, management, marketing and leasing services, operations and other costs of any type whatsoever accruing at any time during the Term in connection with the ownership, marketing, leasing, operation, management, maintenance, repair, replacement, restoration, use, occupancy or enjoyment of the Skating Facility and the Restaurant on the Leased Premises.

“Operations” is defined in Section 3.2.1.

“Operations Plan” is defined in Section 5.1.1.

“Panel” is defined in Section 18.4.

“Parking Area” means the surface parking lot located to the north of the Facility with [210] parking spaces, as depicted on Exhibit B. For purposes of clarification, the Parking Area is not located on the Real Property.

“Party” means either Tenant or the City and “Parties” means Tenant and the City collectively.

“Permits and Approvals” means permits, licenses and other approvals necessary for the operation, maintenance, repair, replacement, management and use of the Leased Premises.

“Person” means any individual trust, estate, partnership (general or limited), limited liability company, joint venture, company, corporation, Governmental Authority, association or any other legal entity or business or investment enterprise.

“PML” is defined in Section 8.3.2.

“Prevailing Market Rate” is defined in Section 4.1.6.

“Public Benefits” is defined in Article 11.

“RCW” means the Revised Code of Washington.

“Real Property” means the real property legally described on Exhibit A-2.

“Relocation of Franchise” is defined in Section 12.1.

“Relocation of Franchise Payment” is defined in Section 12.1.

“Rent” means Base Rent and Tenant’s Monthly CapEx Fund Payments.

“Renewal Amendment” is defined in Section 4.1.5.

“Renewal Period” shall have the meaning set forth in Section 2.3.

“Renewal Option” shall have the meaning set forth in Section 2.3.

“Restaurant” shall mean the restaurant located on the first floor of the Leased Premises and depicted on Exhibit A-1, consisting of no less than 2,300 square feet of restaurant space. The Restaurant shall be open for iceplex patrons as well as the general public. The Restaurant menu shall provide beer and wine, hot food prepared in a kitchen with a goal of providing options for baking, grilling, and deep-frying menu options. The dining space of the Restaurant will provide seating capacity for no less than ____, but bar seating will not be required.

“Skating Facility” means the two (2) ice rink facility with rink seating and associated locker rooms.

“Tenant Default” is defined in Section 15.1.

“Tenant Indemnified Party” or “Tenant Indemnified Parties” is defined in Section 20.15.2.

“Tenant’s Damage Notice” is defined in Section 6.6.1.

“Tenant Parent” means Seattle Hockey Partners, LLC, a Delaware limited liability company.

“Transfer” is defined in Section 13.1.

“State” means the State of Washington.

“Term” means the Initial Term of this Agreement as set forth in Section 2.2, including any extension thereof pursuant to Section 2.3.

“Threshold Amount” is defined in Section 6.6.1.

“WMBE” is defined in Section 11.4.

ARTICLE 2 LEASED PREMISES AND TERM

2.1 Leased Premises. The City demises and leases to Tenant, and Tenant takes and leases from the City, the Facility (including the Restaurant, locker rooms, skating rinks, and Facility Lobby, all of which are within the Facility) and the sidewalks to the west, east, and south of the Facility, located on the Real Property legally described on Exhibit A-2 and commonly known as [REDACTED] (collectively, the “**Leased Premises**”). The Leased Premises shall include the exterior walls, exterior doors, roof, foundations and walls of the Facility. Notwithstanding the foregoing, the Leased Premises shall specifically exclude the Community Center and the Parking Area. To the extent the City has rights thereto, with respect to the Real Property the City grants to Tenant a license to use all easements and appurtenances belonging to or in any way pertaining thereto, including rights, privileges, easements and appurtenances in, to, over or under adjacent streets, sidewalks, and alleys, all of which shall not be included in the Leased Premises and Tenant’s financial obligations thereto.

2.2 Term. Subject to the specific terms of this Agreement providing for earlier termination, the term of this Agreement shall commence on the Effective Date and shall continue for a period of thirty-four (34) years thereafter (the “**Initial Term**”).

2.3 Renewal Periods. Tenant may extend the Term of this Agreement (“**Renewal Option**”) for up to two (2) renewal periods (each a “**Renewal Period**”), each with a term of ten (10) Lease Years, on the same terms and conditions as set forth herein other than Base Rent, provided Tenant is not in default under this Agreement, either at the time Tenant makes such election or at the time the applicable Renewal Period would otherwise commence, beyond any applicable notice and cure period. Tenant shall exercise such option, if at all, by giving written notice of exercise thereof to the City not less than one (1) year in advance of the expiration of the then-current Term of this Agreement.

2.4 Delivery: AS IS. The City will be deemed to have delivered possession of the Leased Premises to Tenant on the Effective Date. Tenant acknowledges that neither the City nor its agents or employees have made any representations or warranties as to the condition of (or as to any information provided about) the Leased Premises or the suitability or fitness of the Leased Premises for the conduct of Tenant’s business or for any other purpose, nor has the City or its agents or employees agreed to undertake any alterations at the Leased Premises. Tenant agrees (a) to accept the Leased Premises in its condition upon delivery by the City “as-is”, with “all faults” and (b) that the City shall have no obligation whatsoever to alter, remodel, improve, repair, decorate or paint the Leased Premises or any part thereof either prior to or during the Term. By signing this Agreement, Tenant acknowledges that it has had adequate opportunity to investigate the Leased Premises and acknowledges responsibility for making any alterations to the Leased Premises.

2.5 Hours of Operation. The following hours of operation shall apply:

2.5.1 Skating Rinks. Tenant shall cause the skating rinks to continuously operate and be open for business during a minimum of the following hours: 6 a.m. to 10 p.m.

2.5.2 Restaurant. Tenant shall cause the Restaurant to continuously operate and be open for business in the Restaurant every day during the hours of 12 p.m. to 10 p.m. as a minimum. If after operating in the Restaurant for the hours required above for at least twelve (12) months, Tenant determines that certain hours on a particular day of the week are not profitable, Tenant shall notify the City and shall provide evidence supporting this determination. If the City in its reasonable judgment agrees that the operating hours are not profitable, Tenant shall not be required to remain open for the operating

hours that are not profitable.

2.5.3 General. Tenant acknowledges that the City will be irreparably damaged if Tenant fails to open for business or otherwise to comply with this Section and that the City shall have the right to specifically enforce this provision. Tenant shall also have the right to cease operations during the Term for alterations and refurbishment of the skating rinks and/or Restaurant, as determined by Tenant for no longer than twenty (20) consecutive days without the City's approval. Tenant agrees to continue the operation of its business in the Leased Premises to the extent reasonably practicable from the standpoint of good business during any period of reconstruction or repair.

ARTICLE 3

REVENUES; OPERATIONS AND MAINTENANCE

3.1 Revenues and Scheduling. Subject to the provisions of this Agreement, Tenant shall have the right to receive and retain all revenues derived from the Leased Premises. Tenant shall control the scheduling and use of the Leased Premises for all hockey and non-hockey events, except as specifically provided herein.

3.2 Operations and Maintenance.

3.2.1. Tenant Operations Obligations. Tenant is solely and exclusively responsible for performing Operations at the Leased Premises. “**Operations**” means the routine and regular provision of all labor, materials, utilities and other services required to use, operate and manage the Leased Premises, and shall include but not be limited to the following elements: (i) staffing the Leased Premises during activities; (ii) scheduling, presenting and promoting hockey and skating events; and (iii) managing all other Operations of the Leased Premises.

3.2.1.1. Operating Standard. Tenant shall perform Operations at the Leased Premises in a first class, professional, businesslike and efficient manner, consistent with the manner in which other first class, top-tier, NHL-practice skating facilities are operated, including without limitation, the Kraken Community Iceplex located in Seattle, Washington, in conformance with the Applicable Standard and the Operations Plan.

3.2.2. Tenant Maintenance Obligations. Tenant is solely and exclusively responsible for performing Maintenance of the Leased Premises. “**Maintenance**” means the routine and regular provision of all labor, materials, utilities and other services for: (i) performing all preventive or routine non-capitalized maintenance, including that which is stipulated in operating manuals for the Leased Premises (and the equipment, fixtures and systems therein) as regular, periodic maintenance procedures; (ii) conducting regular non-capitalized maintenance for all Facility systems, including the heating, ventilation and air conditioning systems, electrical, plumbing and mechanical, technology infrastructure, vertical transportation, and roof; (iii) performing routine maintenance of the surface of the skating rinks; (iv) keeping all portions of the Leased Premises clean and free from debris; and (v) performing all other non-capitalized routine repair and replacement of the Leased Premises, all subject to normal wear and tear, Catastrophic Damage and Condemnation. Tenant shall perform Maintenance of the Leased Premises in compliance with the Maintenance Plan and Applicable Standard. The City, at its sole cost and expense, shall be responsible for performing all maintenance and repairs associated with the Community Center (but including only the plumbing, electrical and HVAC systems located within the Community Center and specifically excluding the Lobby, elevator, roof, exterior walls, exterior doors and foundations of the Facility).

3.2.3. Operations Expenses and Maintenance Expenses. Tenant is solely and

exclusively responsible for and shall pay all costs and expenses associated or incurred in connection with performing (i) Operations, (ii) Maintenance (the “**Maintenance Expenses**”) of the Leased Premises, including without limitation the Operating Expenses. Tenant covenants and agrees to provide sufficient funding to satisfy these obligations and acknowledges and agrees the City shall have no liability for Operating Expenses or the performance or cost and expense of any Operations or Maintenance of the Leased Premises. The City, at its sole cost and expense, shall be responsible for all operating expenses and maintenance expenses associated with the Parking Area.

3.3 Delegation of Operations, Maintenance and CapEx Work. The City acknowledges that Tenant shall have the right to delegate performance of its Operations, Maintenance and CapEx Work obligations to a wholly-owned subsidiary of Tenant, or to an affiliate controlled by or under common control with Tenant, provided that (i) Tenant promptly notifies the City of such delegation, (ii) Tenant shall not be released from liability to the City under this Agreement for the performance of all such duties and (iii) Tenant shall be responsible for ensuring that Operations are performed consistent with the Operations Plan and the Applicable Standard and that Maintenance and CapEx Work are performed consistent with the Facility Management Plan and Applicable Standard. This delegation shall in no manner limit Tenant’s duty to indemnify the City Indemnified Parties under Section 20.13.1.

3.4 Outsourcing of Operations and/or Maintenance Duties. Tenant (or its affiliate or subsidiary, pursuant to Section 3.3 above) may outsource its Operations and/or Maintenance duties to a third-party operator, subject to the City’s approval, which approval shall not be unreasonably withheld, conditioned or delayed, provided the third-party operator has substantial experience operating and maintaining similar Facilities. Tenant shall not be released from liability to the City under this Agreement for any such outsourced Operations and/or Maintenance work and shall remain responsible for ensuring that such outsourced services are performed consistent with Tenant’s obligations under this Agreement. Tenant’s outsourcing of Operations and/or Maintenance duties shall in no manner limit Tenant’s duty to indemnify the City Indemnified Parties under Section 20.13.1.

3.5 Permits and Approvals. The Parties acknowledge and agree that Tenant is responsible for obtaining all necessary Permits and Approvals with respect to the use, management, Operations and Maintenance of the Leased Premises.

3.6 Access to Community Center.

3.6.1. Access. The City, its employees, directors, agents, independent contractors, representatives and invitees shall have such access to the Community Center via the Facility Lobby as is reasonably necessary and appropriate for use of the Community Center by community members. Tenant’s security system and parking plan shall be administered so as not to unreasonably interfere with ingress to and egress from the Community Center by community members. Tenant may place reasonable limitations on access and movement in areas of the Facility other than the Community Center during events or as otherwise necessary for Tenant operations.

3.6.2. No Rent. The City shall not be required to pay Tenant any rental fee for the City’s use of, or access to, the Community Center, parking spaces, and any public meeting space in the Facility. The City shall not be required to pay or reimburse Tenant for any operating costs incurred by Tenant with respect to electricity, heating, air conditioning, water, sewer use, or ordinary security requirements resulting from the City’s use of the Community Center and any public meeting space in the Facility, except to the extent that any of electric, water or gas utilities serving the Community Center are separately metered. To the extent that any utilities are not separately metered, the City will pay its pro rata share of ___%, based on the ratio of rentable area of the Community Center to the rentable area of the entire Facility.

3.6.3. Improvements to Community Center. The City shall be responsible for providing any furnishings and/or equipment for the Community Center from City operating funds.

3.7 Parking Area. The City will be responsible for operating the Parking Area, and the City shall be responsible for all costs and expenses associated with the maintenance, repair, and operations of the Parking Area. The City reserves the right to charge for parking in the adjacent City-operated Parking Area. The City will not implement paid parking before the end of the local hockey season in the spring of 2029. The City will not charge a higher “per hour” rate for parking at the Community Center than the highest amount the City charges for parking at any of the City’s waterfront parks (which currently, in 2025, is \$1/hour). The City may charge a special event parking fee for any event where the entire Facility is being used by the City for the City’s purposes. The City and Tenant may charge a special event parking fee by mutual written agreement, with the City providing Tenant with fifty percent (50%) of the revenue from such special event parking fees, unless a different apportionment is otherwise agreed by the Parties. The City will be responsible for operating, maintaining, and repairing the Parking Area outside the Leased Premises. In the Parking Area, the City will provide a minimum of twenty-five (25) spaces primarily dedicated to staff parking for staff of the Community Center, Skating Facility, and Restaurant. Tenant and the City will work in good faith to coordinate available parking when either Party is hosting a special event with an expected attendance of 200 individuals or more. If the City anticipates hosting an event at the Community Center with an expected attendance of 100 individuals or more, the City will provide Tenant with thirty (30) days’ notice to coordinate available parking and mitigate traffic impacts; provided that in the event the City is unable to provide such thirty (30) day notice due to a City-sponsored event occurring in less than thirty (30) days from scheduling of the event, the City will provide Tenant with such advance notice as is reasonably possible under the circumstances.

3.8 Practice Facility. During the Term, Tenant shall:

3.8.1. With respect to visiting NHL teams scheduled to play the Seattle Kraken at the Climate Pledge Arena that require a practice site outside of the Climate Pledge Arena, Tenant shall prioritize use of the Facility for practice purposes over other facilities, including, without limitation, the Kraken Community Iceplex. In furtherance of the foregoing, Tenant agrees to use commercially reasonable efforts to cause such visiting NHL teams to practice at the Facility from time to time each Lease Year.

3.8.2. With respect to the Seattle-based PWHL team, Tenant will use commercially reasonable efforts to cause such PWHL team to use the Facility as its practice facility at the time of Facility opening and thereafter as the team’s practice facility to the extent commercially feasible.

ARTICLE 4

RENT

4.1.1 Base Rent During the First Thirty Years of the Initial Term. Commencing on the Effective Date and thereafter on the first day of each month for the first thirty (30) years during the Initial Term, Tenant shall pay the City minimum annual base rent (“**Base Rent**”) in the amounts set forth in Schedule 1 attached hereto. The Base Rent shall be payable notwithstanding the occurrence of an event of Force Majeure, but subject to the casualty provisions in Article 6 and the condemnation provisions in Article 19.

4.1.2 Base Rent During Years 31-34 of the Initial Term. Commencing on the thirty-

first (31st) anniversary of the Effective Date and thereafter through the expiration of the Initial Term, the monthly Base Rent rate shall be equal to the lesser of (i) the monthly Base Rent paid in the preceding Lease Year (excluding the last month of the Initial Term to the extent such last month is a different amount), or (ii) the Prevailing Market Rate per rentable square foot, plus annual increases equal to the CPI Change.

4.1.3 Base Rent Premises During Renewal Period. If Tenant validly exercises one or more of its Renewal Options, this Agreement shall continue on the same terms and conditions for the Renewal Period, except that:

4.1.3.1 The Base Rent rate per rentable square foot for the Leased Premises during each Renewal Period shall equal the Prevailing Market Rate. Base Rent during the Renewal Period shall increase on an annual basis, if at all, in accordance with the annual increases assumed in the determination of the Prevailing Market Rate; and

4.1.3.2 The Renewal Option under this Section shall automatically terminate and be of no further force and effect and may not be exercised again by Tenant.

4.1.4 Procedure for Determining Prevailing Market Rate. The City and Tenant shall use reasonable efforts to negotiate Prevailing Market Rate. If the City and Tenant cannot agree on the Prevailing Market Rate within thirty (30) days after the City's receipt of Tenant's written notice to renew, the Parties shall submit the determination of Prevailing Market Rate to be resolved by arbitration, in accordance with the following procedure. The City and Tenant shall each promptly designate a commercial real estate appraiser (each an "**Appraiser**") with at least ten (10) years' commercial real estate experience in the Seattle/Bellevue/Kirkland commercial market to determine said Prevailing Market Rate. If the Appraisers agree on such Prevailing Market Rate (and for the purposes hereof, if such Appraisers determine such Prevailing Market Rate and the higher such determination is no more than 110% of the lower such determination, then said Appraisers shall be deemed to have agreed upon a Prevailing Market Rate equal to the average of such determinations), then the agreement of the Appraisers as aforesaid shall be deemed to be the Prevailing Market Rate and shall be binding upon the Parties hereto. But if the Appraisers do not agree as aforesaid within fifteen (15) days after their appointment, then said Appraisers shall together promptly appoint a third such appraiser (from a firm other than those with which the initial Appraisers are associated) meeting the criteria of the initial Appraisers ("**Neutral Appraiser**") and the determination of the Neutral Appraiser shall be deemed to be the Prevailing Market Rate and shall be binding upon the Parties hereto (but in no event shall such determination be less than the lower amount or more than the higher amount of the determinations of the initial two (2) Appraisers). The City and Tenant shall each pay the costs of their designated Appraiser and shall share equally the costs of any Neutral Appraiser.

4.1.5 Renewal Amendment. If Tenant is entitled to and properly exercises its Renewal Option, the City shall prepare an amendment ("**Renewal Amendment**") to reflect changes in the Base Rent, Term, and other appropriate terms. The Renewal Amendment shall be sent to Tenant within a reasonable time after the City's receipt of Tenant's written notice to renew or other written agreement by the City and Tenant regarding the Prevailing Market Rate, and Tenant shall execute and return the Renewal Amendment to the City within fifteen (15) days after Tenant's receipt of same, but, upon final determination of the Prevailing Market Rate applicable during the Renewal Period as described herein, an otherwise valid exercise of the Renewal Option shall be fully effective whether or not the Renewal Amendment is executed.

4.1.6 Definition of Prevailing Market Rate. For purposes of this Renewal Option, "**Prevailing Market Rate**" shall mean the arms-length fair market annual rental rate per rentable square

foot under renewal leases and amendments entered into on or about the date on which the Prevailing Market Rate is being determined hereunder for space comparable to the Facility in the Seattle/Bellevue/Kirkland commercial market. The determination of the Prevailing Market Rate shall take into account any material economic differences between the terms of this Agreement and any comparison lease or amendment, including without limitation rent abatements, construction costs and other concessions and the manner, if any, in which the landlord under any such lease is reimbursed for operating expenses and taxes. The determination of Prevailing Market Rate shall also take into consideration any reasonably anticipated changes in the Prevailing Market Rate from the time such Prevailing Market Rate is being determined and the time such Prevailing Market Rate will become effective under this Agreement.

4.2 CapEx Fund Payments. Commencing on the Effective Date, and thereafter on the first day of each month during the Term, Tenant shall pay the City an amount equal to \$8,333.33 (which is one-twelfth of the annual CapEx Fund payments and which is the equivalent of \$1.60 per square foot of the Skating Facility) (“**Monthly CapEx Fund Payments**”) which amounts shall be deposited into the CapEx Fund to be used in accordance with Section 6.

ARTICLE 5

FACILITY PLAN SUBMITTAL; REVIEW

5.1 Tenant Submissions. By September 1 of each Lease Year (subject to Section 5.1.2.2), beginning in the first calendar year following the issuance of a final certificate of occupancy for the Facility, Tenant shall prepare and submit to the City two plans, the “Operations Plan” and the “Facility Management Plan”, that together set forth how, for the subsequent Lease Year, Tenant will carry out its Operations in a manner consistent with the Applicable Standard and its Maintenance and CapEx Work obligations in a manner consistent with the Applicable Standard.

5.1.1 Operations Plan. The “**Operations Plan**” shall comprise the following elements, all consistent with the Applicable Standard:

5.1.1.1 A schedule of events for the Leased Premises for the upcoming calendar year, including proposed practice times for NHL and PWHL teams to the extent known; recreational league play; and free skate time periods.

5.1.1.2 A report of Restaurant operations for the then current Lease Year and whether Tenant anticipates any substantial alterations or modifications to the Restaurant space or a change in the operator for the subsequent Lease Year.

5.1.1.3 A report of Tenant’s activities and investments undertaken pursuant to Article 11 (Public Benefits) for the prior Lease Year and plan for the same that Tenant will undertake during the subsequent Lease Year.

5.1.2 Facility Management Plan. The “**Facility Management Plan**” shall comprise (a) the “**Maintenance Plan**”; and (b) the “**CapEx Work Plan**”, as described below.

5.1.2.1 The Maintenance Plan shall include an annual plan for all (a) routine and regular provision of all labor, materials, and other maintenance services and (b) non-capitalized repair, replacement, and maintenance of the Leased Premises, all consistent with the Applicable Standard.

5.1.2.2 The CapEx Work Plan shall include the following elements, all

consistent with the Applicable Standard:

a. An accounting of annual and cumulative costs and expenses borne by Tenant for CapEx Work not reimbursed by the CapEx Fund; and

b. An annual plan and budget for CapEx Work to be performed in the subsequent Lease Year and a rolling ten-year plan and budget for all CapEx Work to be performed within such ten-year period.

c. Such conceptual or schematic designs and other plans and information related to capital improvements as the City may reasonably request. Subject to Section 5.2.2, Tenant may submit the CapEx Work Plan without including such designs and plans if the same are not available when such plan is submitted, provided Tenant submits such designs and plans promptly upon their availability.

5.2 Plan Review Timeframes. The City shall have not more than sixty (60) days to review and provide comments on the Operations Plan and the Facility Management Plan, provided that the City shall have ninety (90) days to review the Facility Management Plan when such plan has been submitted subsequent to completion of a new Facility Assessment pursuant to Section 5.6.

5.3 City Approval Rights and Limitations.

5.3.1 The Operations Plan shall be subject only to the City's review and comment and shall not be subject to the City's approval. The Parties expect that input and consultation between the Parties will occur informally and may continue on an ongoing basis. Tenant will give reasonable good faith consideration to any input received from the City in reviewing and carrying out the Operations Plan. If the City believes that any element of the Operations Plan will cause Tenant to fail to carry out its obligations in a manner consistent with the Applicable Standard, and if consultation between the Parties does not resolve this concern, the City may submit the issue to the dispute resolution process set forth in Article 18.

5.3.2 The Facility Management Plan shall be subject to the City's review and approval, provided the City's approval right shall be limited to ascertaining whether the Facility Management Plan is consistent with and conforms to the Applicable Standard.

5.3.2.1 If the City does not approve or disapprove the Facility Management Plan within the period set forth in Section 5.2, the Facility Management Plan shall be deemed approved by the City.

5.3.2.2 If the City disapproves the Facility Management Plan, such disapproval shall be in writing and shall state with specificity the provisions that are inconsistent with the Applicable Standard and the changes needed to such plan to achieve compliance with the Applicable Standard in order to obtain City approval. The City shall have an additional thirty (30) days to review and approve such plan elements in any plan resubmitted by Tenant in response to an initial City disapproval.

5.3.2.3 If Tenant disputes the City's disapproval of all or any elements of the Facility Management Plan, it may submit such dispute to dispute resolution in accordance with the dispute resolution provisions set forth in Article 18, provided that the sole question presented to the Panel in such resolution process shall be whether the City unreasonably withheld its approval.

5.3.2.4 Any elements of the Facility Management Plan approved by the City that are not subject to dispute resolution shall take effect upon the City's approval thereof. The Facility Management Plan shall be amended to reflect changes agreed to by the Parties or determined to be necessary pursuant to any dispute resolution process.

5.3.2.5 So long as the Facility Management Plan has been approved by the City, and provided there is no Tenant Default, the City shall not deny approval of Tenant's plans to upgrade any existing improvements.

5.4 Modifications and Deviations. If, subsequent to the City's review of the Operations Plan or its review and approval of the Facility Management Plan, Tenant believes materially modifying or deviating from any element of the Operations Plan or Facility Management Plan is necessary, Tenant will advise the City of such proposed material modification or deviation, as applicable, and the City will then have the same opportunity to review and comment (with respect to the Operations Plan) or to review and approve (with respect to the Facility Management Plan) such modification or deviation that it had with respect to the originally submitted Operations Plan and Facility Management Plan.

5.5 Security and Emergency Management Plan. Tenant shall maintain and shall regularly update a security and emergency management plan for the Leased Premises, consistent with Applicable Law.

5.6 Facility Assessment Updates. Not later than the tenth (10th) Lease Year, nor later than every tenth Lease Year thereafter, Tenant shall initiate, and Tenant and City shall cooperate in commissioning, a Facility Assessment to update and inform the identification of CapEx Work necessary for the Facility to comply with the Applicable Standard. Tenant shall select a firm to conduct the Facility Assessment that is expert in the design, construction, economics and operations of facilities similar to the Facility, subject to the City's reasonable approval. The cost of such Facility Assessment shall be borne by the Parties equally. The Facility Assessment shall be commissioned with the intent that it may be the basis for recommendations regarding Tenant's CapEx Work Plan, but shall not limit Tenant's obligations hereunder.

ARTICLE 6 CAPITAL EXPENDITURES; CASUALTY

6.1 Capital Expenditures. During the Term, as extended, Tenant is solely and exclusively responsible for the performance of all capital maintenance, capital replacement, capital restoration, capital repairs, capital re-equipping, and capital improvements (including Upgrade Improvements) to the Leased Premises necessary to meet the Applicable Standard and to fulfill Tenant's rights and obligations under the CapEx Work Plan (the "**CapEx Work**"), and for all costs and expenses thereof (the "**CapEx Expenses**"). The City shall be solely responsible for all CapEx Work and CapEx Expenses for improvements within the Community Center (but specifically excluding any CapEx Work relating to the Lobby, elevator, roof, exterior walls, exterior doors and foundations of the Facility). CapEx Work includes any capital work that is reasonably required to be performed in and about the Leased Premises to comply with the Applicable Standard and Applicable Law, including, but not limited to, all necessary capital improvements identified in any Facility Assessment, and CapEx Work necessitated by Damage, normal wear and tear, defects in construction or design, or any other cause. Notwithstanding the foregoing, Tenant's obligation to repair or rebuild the Leased Premises following Catastrophic Damage shall be

governed solely by the provisions of this Article 6, or, following a Condemnation, by the provisions of Article 19.

6.2 Tenant Obligation to Fund CapEx. Tenant shall be responsible for performing all work necessary to meet the Applicable Standard and to fulfill Tenant's obligations under the CapEx Work Plan without respect to the sufficiency of the CapEx Fund to fund, or reimburse Tenant for, the cost of such CapEx Work at the time such work is performed. The Parties acknowledge and agree that Tenant is responsible for obtaining all Permits and Approvals with respect to the CapEx Work, with the cost of such Permits and Approvals paid as CapEx Expenses. Tenant acknowledges and agrees that the City shall have no liability for any CapEx Work.

6.3 CapEx Fund.

6.3.1 Establishment. The City shall establish and fund a CapEx Fund, from which costs and expenses for CapEx Work shall be paid, consistent with Section 6.4.

6.3.2 Tenant CapEx Contributions. Tenant's annual contributions to the CapEx Fund shall be paid in equal installments each month during the Lease Year as set forth in Section 4.2. Tenant shall have the right to receive a credit to the CapEx Contribution in an amount equal to all taxes on open skate admissions fees, which credit shall applied against the amount of Tenant's Monthly CapEx Fund Payment due in the following year.

6.3.3 City CapEx Contributions. The City may contribute such additional funds as the City may elect, in its sole discretion.

6.3.4 CapEx Fund Management. The CapEx Fund shall be managed by the City consistent with this Agreement. Interest and other earnings on the CapEx Fund will be retained in and constitute part of the CapEx Fund account. All disbursements from the CapEx Fund shall be consistent with the terms and provisions of Section 6.4.

6.3.5 Admissions Tax. All taxes collected on admissions sales at the Facility shall be collected and credited towards capital maintenance funding of the Facility.

6.4 CapEx Fund Use.

6.4.1 Expenditure of Funds: Limitations. Except as provided in Section 6.4.4, all amounts in the CapEx Fund shall be used for CapEx Expenses; provided, the City may, but shall not be obligated to, use funds in the CapEx Fund to cure any Tenant Default, after any applicable cure period and consistent with Section 15.2, in addition to exercising any other rights the City has to cure any Tenant Default. Tenant shall be entitled to undertake CapEx Work and cause the City either to pay such CapEx Expenses directly from the CapEx Fund or to reimburse Tenant from the CapEx Fund for such CapEx Expenses if the CapEx Work item: (i) is contemplated by the current approved CapEx Work Plan or is otherwise approved by the City in writing; (ii) constitutes an emergency item pursuant to Section 6.6; (iii) is used for restoration following non-Catastrophic Damage in accordance with Section 6.6.2, or (iv) costs no more than \$50,000 for an individual improvement nor more than \$100,000 in the aggregate for all such improvements in a Lease Year, such amounts to be adjusted each Lease Year in proportion to the CPI Change from the previous Lease Year. Expenditures from the CapEx Fund shall not be used for Operating Expenses or Maintenance Expenses.

6.4.2 Limitation on Reimbursements to Tenant. Following the fifth (5th) Lease Year, Tenant may not be reimbursed from the CapEx Fund for CapEx Work undertaken by Tenant if such reimbursement would reduce the balance of the CapEx Fund below \$100,000 (the “**Minimum Balance**”), nor shall funds from the CapEx Fund directly pay CapEx Expenses if such direct payment would cause the balance of the CapEx Fund to fall below the Minimum Balance. Tenant shall directly pay the costs and expenses of performing any and all CapEx Work necessary to meet the Applicable Standard and to fulfill Tenant’s obligations under the CapEx Work Plan until such time as the Minimum Balance is sufficient to be maintained after reimbursing Tenant for CapEx Work or after directly paying the costs and expenses of the CapEx Work. Tenant shall be reimbursed from the CapEx Fund retroactively for any such directly funded CapEx Work as and when the CapEx Fund balance is sufficient to maintain the Minimum Balance.

6.4.3 Third-Party Reimbursements. Tenant shall promptly reimburse to the CapEx Fund any amounts paid therefrom for any CapEx Work to the extent Tenant receives funds from any source as reimbursement for CapEx Expenses incurred during the Term (including, but not limited to, insurance proceeds and recovery from third parties).

6.4.4 Disbursement at End of Term.

6.4.4.1 Expiration of Term. Upon the expiration of the Term, any remaining amounts in the CapEx Fund shall be retained by the City.

6.4.4.2 CapEx Fund During Event of Default. Notwithstanding Section 6.4.4.1, if a Tenant Default occurs during the Term and is not cured upon the termination of this Agreement, no amount of the CapEx Fund shall be distributed to Tenant until the Tenant Default is cured or otherwise resolved, and may be used by the City, in its reasonable discretion, to pay Tenant obligations that have accrued and are owing hereunder to the City as of such date. Upon cure of any such Tenant Default, any amounts remaining in the CapEx Fund shall be distributed to Tenant.

6.5 Emergency Major Maintenance and Capital Improvements. If Tenant reasonably determines that the health or safety of persons or property, or the ability to play host NHL or PWHL practices or events in the Facility, will be jeopardized absent the immediate commencement of CapEx Work, Tenant may commence such CapEx Work without the prior written approval of the City and be reimbursed from the CapEx Fund for such purpose, provided Tenant promptly notifies the City of all such CapEx Work made by Tenant pursuant to this Section 6.5.

6.6 Damage.

6.6.1 Applicability. This Section 6.6.1 applies if the Leased Premises, or any part thereof, are damaged or rendered unfit or inoperable due to any insured or uninsured occurrence or casualty, and if (a) the estimated cost of full restoration exceeds [Three Million Dollars (\$3,000,000)], (b) the estimated time necessary to fully repair the damage or occurrence exceeds one hundred eighty (180) days, or (c) the damage or occurrence constitutes Catastrophic Damage. Any damage to the Leased Premises not governed by this Section 6.6 shall be repaired by Tenant as soon as reasonably practicable. As used herein, “**Catastrophic Damage**” means any item (or group of related items arising from a related series of events or causes) of CapEx Work that arises as a direct result of a casualty event, and that has an estimated cost that is more than the amount of expected available insurance proceeds, plus any amounts in the CapEx Fund, plus any Tenant retained or self-insured amounts (which total is herein referred to as

the “**Threshold Amount**”). In the event of any Catastrophic Damage, neither Party shall have any obligation to pay any costs of repair of such Catastrophic Damage in excess of available insurance proceeds. As soon as reasonably practicable, but in any event at or prior to the earlier to occur of (a) the day that is one hundred eighty (180) days after the date of the damage or occurrence and (b) the day that is ninety (90) days after Tenant actually receives insurance proceeds as compensation for damage to the Leased Premises caused by a casualty, Tenant shall notify the City whether, in Tenant’s reasonable opinion, any insurance proceeds actually received (or to be received) by Tenant as compensation for damage to the Leased Premises caused by such casualty, together with available funds from the CapEx Fund are (or are reasonably anticipated to be) adequate to fully repair the damage to the Leased Premises (the “**Tenant’s Damage Notice**”).

6.6.2 Non-Catastrophic Damage. If the damage or occurrence is not Catastrophic Damage, then Tenant shall use the insurance proceeds, together with any available funds from the CapEx Fund and any supplemental funding required by Tenant, to fully repair the Leased Premises as soon as reasonably practicable, and this Agreement shall continue in full force and effect. The actual costs of such repair and restoration incurred by Tenant shall be funded first from available insurance proceeds, then second from the CapEx Fund, and then third from any additional funds required from Tenant if and to the extent the insurance proceeds and CapEx Fund are not sufficient to cover such costs. The City shall be responsible, at its sole cost and expense, to repair non-Catastrophic Damage to the City’s improvements or personal property located in the Community Center.

6.6.3 Catastrophic Damage. If the damage is Catastrophic Damage, then Tenant and the City shall meet as soon as possible to mutually determine, in good faith, whether and to what extent any expenditure is necessary to repair the damage, if and the manner in which any such repair will be conducted, and if and the manner in which the cost that is in excess of: (a) the available insurance proceeds; plus (b) the Threshold Amount (such excess cost referred to herein as the “**Non-Covered Amount**”) will be financed. If the City secures funding sufficient to pay for the Non-Covered Amount, Tenant agrees to make the necessary repairs and to pay toward the costs of such repairs the Threshold Amount less all funds available for such repairs from the CapEx Fund. Tenant shall not be obligated to repair or pay for any damage to the Leased Premises unless and until the City has secured, to the reasonable satisfaction of Tenant, the Non-Covered Amount or Tenant shall have otherwise agreed to fund such Non-Covered Amount. If the City fails to secure such funding or Tenant shall have not otherwise agreed to fund such Non-Covered Amount within six (6) months following Tenant’s Damage Notice, Tenant may notify the City of its intention to terminate this Agreement, which termination shall be effective thirty (30) days after such notice is given to the City. In the event of termination of this Agreement in accordance with the preceding sentence, Tenant shall assign any interest it may have in insurance proceeds received for damage to the Leased Premises to the City (other than insurance proceeds with respect to Tenant’s personal property, trade fixtures and business interruption) and the Parties shall have no obligation to repair the Leased Premises.

6.6.4 Damage During Last Three Years of the Term. Notwithstanding any provisions in this Agreement to the contrary, if during the final three (3) years of the Term the Leased Premises are damaged to such an extent that the cost of full restoration would exceed twenty percent (20%) of the replacement cost of the Leased Premises immediately prior to such damage and such damage renders the Leased Premises unfit for the Leased Premises’ intended purpose, and if the Parties have not, prior to such damage or destruction, renewed the term of this Agreement in accordance, then Tenant may terminate this Agreement by delivering to the City a written notice of termination no later than sixty (60) days following the date the damage or destruction occurred, together with an assignment to the City of all of Tenant’s rights in and to any insurance proceeds received for damage to the Leased Premises (other than insurance proceeds with respect to Tenant’s personal property, trade fixtures and business interruption). This Agreement shall terminate thirty (30) days after timely delivery of such termination notice and the Parties

shall have no obligation to repair the Leased Premises.

6.6.5 Damage That Cannot Be Repaired Within Three Years. Notwithstanding any other provisions in this Agreement to the contrary, if the Leased Premises are damaged to such an extent that they cannot reasonably be restored within three (3) years after the date of the damage or destruction, and such damage renders the Leased Premises unfit for the Leased Premises' intended purpose, then Tenant may terminate this Agreement by delivering to the City a written notice of termination no later than ninety (90) days after the date the damage occurred, together with an assignment to the City of all of Tenant's rights in and to any insurance proceeds received for damage to the Leased Premises (other than insurance proceeds with respect to Tenant's personal property, trade fixtures and business interruption). This Agreement shall terminate thirty (30) days after timely delivery of such termination notice and the Parties shall have no obligation to repair the Leased Premises.

6.6.6 Administration of Property Insurance Proceeds. All proceeds of property insurance maintained by the Parties pursuant to Section 8.1, where such proceeds exceed or are expected to exceed \$[3,000,000], other than proceeds with respect to Tenant's personal property or trade fixtures or business loss or interruption, shall be paid over to and held in trust by a financial institution with total assets of at least \$1,000,000,000 in an account at an office located in the State designated by Tenant and reasonably acceptable to the City (the "**Insurance Trustee**"). If Tenant duly and timely elects to terminate this Agreement as provided in Section 6.6, all such insurance proceeds shall thereafter become the property of and be paid to the City. In all other cases, the insurance proceeds shall be administered according to the reasonable direction of the Insurance Trustee (or as otherwise agreed to by the Parties) as to the investment of the insurance proceeds, application of the insurance proceeds to defray the cost of repair and restoration of physical damage to the Leased Premises, the method for disbursement of the insurance proceeds on a progress basis so as to assure that repair and restoration work is completed in a lien free manner, payment of the Insurance Trustee's fees from the insurance proceeds, and exculpation of the Insurance Trustee in the absence of willful misconduct or gross negligence.

6.6.7 Administration of Earthquake Insurance Proceeds. All proceeds of earthquake insurance, maintained by Tenant pursuant to Section 8.3.2, if at all, shall be applied to cover (a) property damage to the improvements on the Leased Premises; and (b) property damage to Tenant personal property or trade fixtures, business Loss or interruption. If the proceeds are insufficient to cover all the property damages or losses described in clauses (a) and (b) above, then the proceeds shall be applied One Dollar (\$1.00) to the property damages or losses in clause (a), followed by One Dollar (\$1.00) to the property damages or losses in clause (b) until the lesser is satisfied; then the remaining proceeds shall be applied to the greater of the damages or losses in clause (a) or clause (b) until all of the proceeds have been exhausted.

6.7 Liens. Except as permitted by Section 13, Tenant shall keep the Leased Premises and Tenant's leasehold interest in the Leased Premises free from any liens arising out of any services, work or materials performed, furnished, or contracted for by Tenant, or obligations incurred by Tenant. In the event Tenant fails, within sixty (60) days following the imposition of any such lien, either to record a lien release bond to discharge the lien or such other protection against the same as the City shall accept, the City shall have the right to cause the same to be released by such means as it shall deem proper, including payment of the claim giving rise to such lien. All such sums paid by the City and all expenses incurred by it in connection therewith shall be payable to the City by Tenant within thirty (30) days after the City's demand.

ARTICLE 7 INSPECTION

7.1 Inspection by the City.

7.1.1 City's Right to Inspect. The Parties acknowledge that the City has an ongoing right to oversee and review the performance of Tenant's Operations, Maintenance or CapEx Work obligations hereunder (collectively, the "**Facility Obligations**") throughout the Term, as extended. The City shall have the right to periodically inspect the Leased Premises annually and as it otherwise reasonably deems necessary, at times agreed to by the Parties, to ascertain the Leased Premises are being operated and maintained in a manner consistent with (a) the Operations Plan and the Applicable Standard, and (b) the Facility Management Plan and the Applicable Standard. If any such inspection time cannot be agreed to by the Parties, the City shall provide Tenant with written notice of such inspection date, but any such inspection shall not unreasonably interfere with Tenant's operations (including the use of the Leased Premises by any PWHL or NHL team). No later than fifteen (15) days after receipt of such notice, Tenant shall allow the City to proceed with its inspection of the Leased Premises, and shall cooperate with and assist the City during the course of the inspection.

7.1.2 Scope of Inspection. Tenant shall provide for City access consistent with Section 7.1.1 and Tenant's policies and procedures to conduct inspections and shall cooperate fully with the City in its conducting such inspections. In the course of its inspections, the City may hire mechanical, structural or electrical engineers, or other experts to assist in ascertaining whether the Leased Premises have been maintained in accordance with the Facility Management Plan and the Applicable Standard. The City shall propose the inspector to be used for inspections conducted pursuant to this Section 7.1.2, subject to Tenant's review and comment. The costs of any such inspection, including the cost of any engineers or experts, shall be borne solely by the City.

7.1.3 Right of Entry. In addition to the rights granted under Section 7.1.2, the City and its agents and representatives, with prior notice to Tenant, shall have rights of access and entry as reasonably necessary into and upon the Leased Premises for noncommercial activities reasonably related to the City's purpose, provided any such entry does not unreasonably interfere with Tenant's operations (including the use of the Leased Premises by any PWHL or NHL team).

ARTICLE 8 INSURANCE

8.1 Insurance. Consistent with the specific coverage limits and other parameters set forth in Sections 8.2 and 8.3, Tenant shall purchase and maintain, at Tenant's sole cost and expense, such insurance as is necessary to protect it and the City and the City's officials, employees and agents from insurable claims arising as a result of the use, management, and operation of the Leased Premises and Tenant's and the City's property in and around the Leased Premises (collectively, the "**Insured Property**"), including:

8.1.1 Claims by Tenant employees for worker's compensation consistent with Applicable Law;

8.1.2 Claims by Tenant employees for damages because of personal injury, bodily injury, sickness or disease, or death of employees;

8.1.3 Claims for damages because of bodily injury, or death of third parties;

8.1.4 Claims for damages because of damage to property owned by third parties, including damage to or destruction of tangible property, including loss of use resulting therefrom;

8.1.5 Claims for damages insured by personal injury liability coverage that are sustained by third parties, including libel, slander, false arrest, detention or imprisonment, malicious prosecution, and wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a premises that a person occupies by or on behalf of its owner, landlord or lessor;

8.1.6 Claims for loss of or damage to boilers and machinery (including all heating, ventilation, air conditioning, scoreboards, electrical system equipment and other equipment and machinery); and

8.1.7 Claims for liquor liability brought by third parties.

The forms, terms, amounts and provisions of the insurance policies (including the exclusions in such policies) required by this Article shall be consistent with the specific coverage limits and other parameters set forth in Sections 8.2 and 8.3 and shall be subject to the concurrence of the City, which concurrence shall not be unreasonably withheld, conditioned or delayed. Tenant agrees to promptly provide the City with written notice in the event of any material change to the forms, terms, amounts and provisions of the insurance policies (including the exclusions in such policies) required by this Article. Should the City object to the forms, terms, amounts or provisions of the insurance policies selected by Tenant in compliance with this Article or any material change thereto, and negotiated resolution of any disagreement cannot be reached, the matter shall be settled in accordance with the provisions of Article 18 of this Agreement. In resolving the disagreement, the Panel in such proceeding shall be limited to determining whether the proposed item is consistent with the specific coverage limits and other parameters set forth in Sections 8.2 and 8.3 or, if not specifically covered by such sections, whether the item is commercially reasonable and consistent with industry practice.

By requiring such minimum insurance coverage, the City shall not be deemed or construed to have assessed the risks that may be applicable to Tenant under this Agreement. Tenant shall assess its own risks and, if it deems appropriate, maintain greater limits and/or broader coverage.

8.2 Liability Insurance.

8.2.1 General Liability. Tenant shall purchase and keep in force during the Term a Commercial General Liability Policy, in combination with umbrella or excess liability policies, which together will provide limits of not less than \$[10,000,000] each occurrence and annual aggregate covering personal injury, bodily injury to persons, including death, and damage to property of third parties. Such insurance shall provide coverage for the Insured Property, Tenant's and the City's operations, independent contractors and contractual liability, and products and completed operations liability. Tenant shall require its Commercial General Liability insurer to include the City as an additional insured for all claims arising out of Tenant's use and management of the Leased Premises and Tenant's Operations, Maintenance and CapEx Work. The Commercial General Liability insurance policy shall contain a separation of insureds provision, and a provision that the Commercial General Liability provided to the City as additional insured shall be primary to and not contributory with insurance maintained by the City for claims arising out of Tenant's use and management of the Leased Premises and Tenant's Operations, Maintenance and CapEx Work. The Commercial General Liability shall provide that any act or omission of one of the named insureds or additional insureds that would void or otherwise reduce coverage shall not reduce or void the coverage as to the other named and additional insureds.

8.2.2 Automobile Liability. Tenant shall purchase and keep in force during the Term Automobile Liability insurance, including coverage for owned, hired, leased and non-owned licensed vehicles used by Tenant in connection with Tenant's use, management and operation of the Insured

Property, in combination with umbrella or excess liability policies which together provide limits of not less than \$1,000,000 each accident, combined single limit bodily injury and property damage. The Automobile Liability insurance must include the City as an additional insured for all claims arising in connection with Tenant's use and management of the Leased Premises and Tenant's Operations, Maintenance and CapEx Work.

8.3 Property Insurance.

8.3.1 All Risk Property Insurance. Tenant shall maintain All Risk property insurance during the Term in an amount not less than one hundred percent (100%) of the replacement cost thereof. "All Risk" is defined as property insurance that protects the insured from direct loss arising from any peril or cause, other than those perils or causes specifically excluded by name, and shall include coverage for terrorism (if available on commercially reasonable terms and costs). Insurance for earthquake shall be governed by Section 8.3.2. The City shall be named as an additional loss payee on Tenant property insurances. If, upon the occurrence of an insured event, funds are paid out from the CapEx Fund to pay for such damage, insurance proceeds of an equal amount for damage to the Insured Property shall be contributed as a reimbursement to the CapEx Fund.

8.3.2 Earthquake Insurance. Tenant shall purchase and keep in force during the Term property insurance covering the Insured Property against all risk of direct physical loss due to the peril of earthquakes. The amount of earthquake insurance to be required shall be determined by the results of an earthquake Probable Maximum Loss ("PML") study, conducted every five (5) Lease Years by a reasonable professional consulting firm accredited to conduct such PML studies, selected by Tenant and acceptable to the City. The PML will be based upon the most recent replacement cost appraised value of the Insured Property. Earthquake Insurance shall be written with two percent (2%) deductible (or, if not available on commercially reasonable terms and costs, with the lowest deductible that is available on commercially reasonable terms), based upon the values at the location where damage is sustained.

8.3.3 Builders' Risk. If and to the extent Tenant undertakes certain CapEx Work that would give rise to an exception in the coverage provided in Section 8.3.1, above, Tenant shall purchase and keep in force Builders' Risk insurance against all insurable risk, including earthquake, in an amount equal to 100% of the completed value of such CapEx Work undertaken by Tenant pursuant to the CapEx Work Plan until such time as such CapEx Work is completed. Such insurance shall include coverage to conform with then current codes, any costs of demolition and debris removal, collapse, theft, off-site storage and property in transit, without deduction for depreciation of the covered items and in amounts that meet any co- insurance clauses of the policies of insurance, with no exclusion for vandalism and malicious mischief or soft costs. The policy shall be endorsed to cover the interests, as they may appear, of the City.

8.4 Review of Insurance Coverages. The City and Tenant may modify the coverage limits and deductible amounts required by this Article 8 by mutual written agreement. At a minimum, the City and Tenant shall review the limits of coverage required by this Article 8 every five (5) years in view of inflation or deflation, the foreseeable risks attendant to Tenant's use, management and operations of the Insured Property, coverage limits customary for similar property in the Pacific Northwest market and the market availability of particular forms and terms of coverage. Either Party may request a change in the required policy limits or request additional coverages be made part of this Agreement upon giving the other Party ninety (90) days' written notice of the proposed change. Any change in the required policy limits or additional coverage must be mutually agreed upon by the Parties.

8.5 Third-Party Insurance. Tenant shall require that any concessionaires, any concessionaire subcontractors, any contractor of Tenant performing services related to the use, operation and management of the Insured Property and any other user or lessee of the Insured Property, provide a certificate of insurance to Tenant evidencing coverage for their operations and for workers' compensation insurance for their employees, consistent with Applicable Law, commercial general liability insurance with limits of not less than \$5,000,000 each occurrence and annual aggregate automobile insurance with combined single limits of not less than \$2,000,000 each accident and, in the case of concessionaires and concessionaire subcontractors involved in sales of alcoholic beverages, liquor liability with limits of not less than \$10,000,000 each occurrence and annual aggregate. The aforementioned policies for commercial general liability coverage, automobile coverage and liquor liability coverage shall name Tenant, the City and the City's Board, employees and agents as additional insureds.

8.6 Cooperation. Tenant and the City shall assist and cooperate with any insurance company providing insurance to Tenant or the City in the adjustment or litigation of all claims arising under the terms of this Article 8.

8.7 Waiver of Recovery and Subrogation. The City and Tenant release and relieve each other, and waive their entire right of recovery, for loss or damage to the Insured Property against each other for damages caused by fire or other perils covered by the All Risk property insurance policy(ies). This waiver applies whether or not the loss is due to the negligent acts or omissions of either Party, or their respective officers, directors, employees, agents, contractors or invitees. Each Party shall have their respective property insurers endorse the applicable insurance policies to reflect the foregoing waiver of recovery and subrogation; provided, however, that the endorsement shall not be required if the applicable policy of insurance permits the named insured to waive rights of subrogation on a blanket basis, in which case the blanket waiver shall be acceptable. Such waiver applies to losses above or below any deductible or retention.

8.8 General Insurance Requirements. All insurance required by this Article 8 will be placed with carriers with a Best's Insurer's Reports policyholder's rating of not less than "A-VII." Subject to the City's prior approval, which approval shall not be unreasonably withheld, conditioned or delayed, insurance may be placed with insurers of recognized financial standing (e.g., companies traditionally not rated by Best's). Policies of insurance required hereunder are to be procured by Tenant and maintained in full force at Tenant's sole cost during the Term, any renewals or extensions thereof and any holdover period. Tenant shall deliver to the City a Certificate of Insurance evidencing the insurance required in Sections 8.2 and 8.3 not less than five (5) days after renewal of such policy or policies. Tenant shall furnish certificates on ACORD Forms, or their commercial equivalent, and, at any time Tenant shall receive written notice of any cancellation or non-renewal of any insurance policy required hereunder, Tenant shall provide the City with a copy of such notice promptly, but in no event later than two (2) business days after Tenant's receipt of such notice. The City may annually request a copy of any insurance policy and endorsements required to be procured by Tenant pursuant to this Article 8 and Tenant will provide these copies within a reasonable period of time.

8.9 City's Insurance; City Right to Procure Insurance. The City shall obtain, either through self-insure or through available insurance pools, such insurance as is necessary to provide it and Tenant, and Tenant's officers, directors, employees, and agents, from insurable claims arising as a result of the ownership, use, management and operation of the Community Center.

8.10 Failure to Obtain Insurance. If Tenant fails to comply with the provisions of Sections 8.2 or 8.3, the City shall advise Tenant in writing of the deficiency. If the deficiency is not corrected within

ten (10) days, the City shall then have the right, but not the obligation, at any time and from time to time to procure such insurance and/or pay the premiums for such insurance. The Parties shall then promptly submit such dispute for resolution pursuant to the provisions of Article 18, consistent with the provisions of Section 8.1. In the event the Panel determines that Tenant was not in violation of the requirements of Sections 8.2 or 8.3, the payment for such insurance shall be deemed an expense of the City. In the event the Panel determines that Tenant was in violation of the requirements of Sections 8.2 or 8.3, the City shall recover from Tenant the costs of procuring such insurance.

8.11 Deductibles. At Tenant's option, except as otherwise required under Section 8.3.2, Tenant may undertake to maintain deductibles under any insurance required by this Article 8, provided that in no event shall any deductible or any self-insured retention exceed \$[500,000]. The deductibles shall be disclosed in writing to the City. Any deductibles established by Tenant shall not serve to adversely affect the City, and the City shall be protected against loss or damage to or injury resulting from the use, management or operation of the Insured Property in the same manner as if Tenant had no deductibles. Tenant shall be responsible for the payment of all deductibles under the policies of insurance required under this Article 8.

8.12 Application of Insurance Proceeds. The proceeds of any claims made under the insurance policies required by Section 8.3 (other than proceeds with respect to Tenant's personal property, trade fixtures and business interruption) and the amount of any deductibles maintained by Tenant pursuant to Section 8.10 shall be applied as provided in Article 6 unless this Agreement is terminated pursuant to Article 6, in which event Tenant shall pay to the City the amount of any such deductibles.

ARTICLE 9

SIGNAGE

9.1 Signage. All signage, including any corporate signage, shall be at Tenant's sole cost and expense and subject to the City's approval, which shall not be unreasonably withheld, conditioned, or delayed. Interior signs that are visible from the exterior of the Leased Premises shall be subject to the City's written approval, which shall not be unreasonably withheld, conditioned, or delayed. All signage must comply with the City's signage criteria, as the same may be changed from time to time with notice to Tenant and which may be different than as may be required under municipal ordinance; provided that any Tenant signage that pre-existed the City's modified criteria may remain affixed to the Leased Premises during the Term of this Agreement. The City's signage criteria is set forth in Schedule 2 attached hereto and incorporated herein. Notwithstanding anything to the contrary set forth herein, Tenant shall have the right to install signage that is illuminated and contains digital and/or motion effects, subject to the City's signage criteria. In deciding whether to grant or deny its consent, the City may consider, without limitation, the size, location, design, color and lighting of any proposed exterior sign. Any exterior sign must comply with all Applicable Laws, and covenants whether recorded or unrecorded. Upon expiration or earlier termination of this Agreement, upon the City's request, Tenant shall remove all such signage and repair all damage caused by such removal at Tenant's expense.

9.2 Naming. Tenant shall place the (1) name of the Restaurant, (2) the Franchise name and/or logo of the "Kraken" and (3) at the option of Tenant, the name and logo of the PWHL franchise team, on the exterior of the Leased Premises for the Term. In addition, Tenant shall have the right to place the name of corporate sponsors on the exterior of the Term, subject to the City's consent, such consent not to be unreasonably withheld, conditioned, or delayed. Notwithstanding the foregoing, the City shall be deemed to be acting reasonably in withholding its consent to a sponsor which has a material presence in certain specified industries as separately identified by the City on the Effective Date. The City shall have the right to use the name of the Facility, together with reference to the Kraken, and any Facility logo(s)

incorporating the name in non-commercial City communications, (b) City publications, and (c) for other City uses, subject to the provisions of a royalty-free license granted by Tenant or naming sponsor, whichever owns the intellectual property rights in the name and/or Facility logo(s), to effectuate this right. The City shall have the right to have signage on the exterior of the Facility with respect to the Community Center; provided any external signage for the Community Center shall be secondary in scope to the naming rights signage and may be proposed by either Party and reasonably approved by the non-proposing Party. Nothing in this Agreement limits the right of Tenant to designate names, whether commercial, commemorative or otherwise, for any discrete and limited portion of the Leased Premises (other than the name of the Facility) in its sole discretion during the Term, subject to this Section 9.2. Upon termination of this Agreement, Tenant's rights under this Section 9.2 shall terminate immediately upon City express written request delivered to Tenant.

ARTICLE 10 REPORTS AND AUDITS

10.1 Annual Facility Management, Operations and Community Benefit Report. Within one hundred twenty (120) days of the end of each of Tenant's fiscal years during the Term, Tenant shall deliver to the City a report for such fiscal year (or portion thereof) on (a) Tenant's activities in carrying out its Facility Obligations, including specific items of Operations, Maintenance, and CapEx Work performed, (b) an accounting of annual and cumulative costs and expenses borne by Tenant for CapEx Work not reimbursed by either the CapEx Fund; and (c) Tenant's activities in working with community groups, including its public and community investments or any other community benefit programs in which Tenant participates.

10.2 Performance Audits. Tenant shall cooperate with the City's performance audit of Operations, Maintenance, and CapEx Work for the Leased Premises but no more than once per calendar year. Tenant agrees to make available to the City or its representatives any information the City deems reasonably necessary to enable the City to complete its performance audit. If such audit discloses material deficiencies or deviations from the Operations Plan or the Applicable Standard with respect to Operations, or from the Facility Management Plan or Applicable Standard with respect to Maintenance and CapEx Work, Tenant agrees to take action, at its sole expense, to correct or otherwise bring into compliance such material deficiencies or material deviations. If Tenant does not agree with the City as to the existence or amount of any such material deficiencies or material deviations, or that correction is necessary to meet the Applicable Standard or to fulfill the Operations Plan (with respect to Operations), or to meet the Applicable Standard or to fulfill the Facility Management Plan (with respect to Maintenance and CapEx Work), the City may submit the dispute to dispute resolution in accordance with the provisions of Article 18; provided, that the sole question presented to the Panel in such dispute resolution process shall be whether incorporating the correction recommended by the City is necessary for compliance with the Applicable Standard or Operations Plan (with respect to Operations) or with the Applicable Standard or Facility Management Plan (with respect to Maintenance and CapEx Work).

ARTICLE 11 PUBLIC BENEFITS

11.1 Community Use and Involvement. Tenant agrees to establish (a) establish in Kirkland and the Eastside community promotion and charitable services and community participation in a manner reasonably consistent with Tenant's past practice at the Kraken Community Iceplex, Northgate, Seattle, through the One Roof Foundation, or similar organization,; and (b) generally support the City's civic activities, civic events, community service organizations, all in a manner consistent within Tenant's management of Facility operations (together with the items referenced in Section 11.3, the "Public

Benefits”). Tenant’s obligations with respect to community use and involvement under this Agreement may be fulfilled directly or indirectly, including through affiliates, and shall at all times be conducted within Tenant’s overall reasonable budgetary, economic and operating constraints, generally in accordance with past practice.

11.2 Reasonable Affordability. Tenant shall provide the following:

11.2.1 Discounted rates to disadvantaged groups including uniforms and equipment necessary to participate in programs provided at the Facility.

11.2.2 Tenant shall provide no less than two (2) hours of dedicated free open skate ice rink access one (1) weekend per month to any Kirkland resident showing proof of residency, subject to rink capacity.

11.2.3 Tenant will make commercially reasonable efforts to partner with local businesses (defined as businesses within the City of Kirkland) during the Term, including, without limitation, hotels and restaurants.

11.3 Community Based Benefits. Tenant, either directly or in partnership with the One Roof Foundation or an equivalent organization, will provide, in a manner and extent reasonably consistent with Tenant’s practice through the One Roof Foundation but designed to meet identified needs in the Kirkland community, community promotion and charitable services based on the One Roof Foundation’s three pillars: youth homelessness, environmental justice, and access to play for disadvantaged communities.

11.4 Non-Discrimination. Without limiting Tenant’s general obligation to comply with Applicable Law, for the duration of the Term, Tenant, and all parties subcontracting under the authority of Tenant, shall comply with all applicable equal employment opportunity and nondiscrimination laws of the United States, the State, the County, and the City.

11.5 Women and Minority-Owned Business Enterprises Inclusion. Tenant shall ensure open and fair opportunities for minority and women owned businesses (“**WMBE(s)**”) to obtain, or compete for contracts and subcontracts as sources of supplies, equipment, construction and services, to provide the maximum practicable opportunity for increased participation by WMBE(s) in CapEx Work. Tenant shall establish WMBE goals for CapEx Work undertaken during the Term that are generally consistent with then current City goals for its own major capital improvement facilities.

11.6 Women and Minority-Owned Business Enterprises. Tenant shall require its CapEx Work contractors of every tier to make affirmative efforts to solicit and contract with WMBEs on subcontracting and supply opportunities, including requiring its contractors to agree to such efforts through the submission of contractor WMBE inclusion plans, and to make a good faith effort to achieve each goal under the plan, as a material condition of such contracts.

11.7 Compliance. Tenant shall require that CapEx Work contractors make good faith efforts to ensure that goals for the participation of WMBEs are met.

ARTICLE 12 RELOCATION OF FRANCHISE

12.1 Relocation of Franchise Payment. In the event that the Franchise is re-located from Seattle to a location other than the Seattle metropolitan area (“**Relocation of Franchise**”), then prior to

the date of such re-location, Tenant (or Tenant's assignee in the event of an Approved Assignment) shall be required to pay to the City an amount ("**Relocation of Franchise Payment**") equal to (a) the monthly Base Rent amount multiplied by the number of months remaining in the Term following the date of such relocation, (b) the then applicable amount of the Monthly CapEx Fund Payment multiplied by the number of months remaining in the Term following the date of such relocation, and (c) an amount equal to the costs and expenses incurred by the City in connection with the defeasance or payoff of the municipal bonds issued in connection with the City's acquisition of the Facility from Tenant.

12.2 Termination. Following payment of the Relocation of Franchise Payment by Tenant to the City, the Lease shall terminate.

ARTICLE 13 ASSIGNMENT

13.1 Assignment by Tenant. Except as otherwise specifically provided in this Agreement, Tenant shall not directly or indirectly, in whole or in part, voluntarily or by operation of law, sell, assign, encumber, pledge or otherwise transfer its interest in or rights with respect to the Leasehold Estate created by this Agreement (any of the foregoing being herein referred to as a "**Transfer**") without the prior written consent of the City, which consent may not be unreasonably withheld. Any sale or other transfer of voting stock, partnership interests or membership interests, or any consolidation, merger or reorganization that is more than 50% of the voting stock, partnership interests, or membership interests of the Tenant entity and results in a change in control of Tenant or Tenant Parent, or any sale or transfer that results in a change in control of Tenant or Tenant Parent, shall be deemed a Transfer hereunder. In connection with any assignment of Tenant under this section and prior to or at the time of assignment, the assignee shall provide the City with a written assumption of obligations of Tenant under this Agreement.

Notwithstanding the foregoing, in the event of a sale of the Franchise to a third party purchaser which has been approved by the NHL, and provided the City has received from such purchaser the written assumption of obligations of Tenant under this Agreement together with a replacement guarantor reasonably satisfactory to the City, which guarantor executes a guaranty substantially similar to the Guaranty, the City shall consent to such assignment.

13.2 Subletting. Tenant shall not sublease portions of the Leased Premises, nor permit other Persons to occupy or conduct business in portions of the Leased Premises, except as expressly permitted by this Agreement or with the prior written consent of the City. Tenant shall not sublease the entire Leased Premises, or such material portion thereof as would transfer substantial control and possession of the Facility, without the prior written consent of the City, which consent may be withheld at the sole discretion of the City. Tenant may, without the consent of the City, (a) sublet or permit other Persons to occupy or conduct business in the Facility for the purposes of operating the Restaurant, (b) sell or grant licenses, subleases or similar interests in the ordinary course of business to concessionaires, vendors, advertisers, users and others; provided, however, that the term of any such subleases, licenses and other interests shall automatically terminate upon termination of this Agreement; or (c) sublease a portion of the Leased Premises to the PWHL for purposes of providing facilities for the local PWHL franchise. Tenant specifically agrees that any such sublease, license or other interest which could reasonably give rise to an expectancy of long-term rights (generally, but not necessarily limited to interests with a term of longer than one year), shall include explicit provision for such automatic termination.

13.3 Assignment by the City. The City shall have the right to sell, assign, transfer, convey, mortgage or pledge all or any part of its rights under and interest in this Agreement, and pledge any rent or other sums to which the City is entitled under this Agreement or any other interest the City has in this

Agreement, in whole or in part, as security for the repayment of any financing obtained by the City. If the City sells, transfers, conveys or assigns its interest in the Leased Premises or if title to the Leased Premises is transferred as a result of proceedings under a mortgage or deed of trust, or is transferred by deed in lieu of foreclosure, the new owner of the Leased Premises shall take title to the Leased Premises subject to this Agreement, the applicable non-disturbance agreement executed by such mortgagee and any Leasehold Mortgage, and in such event Tenant shall attorn to the new owner and recognize the new owner as the lessor under this Agreement, and the new owner shall become bound to Tenant to perform all of the City's obligations under this Agreement.

13.4 Leasehold Mortgage of Leasehold Estate.

13.4.1 Leasehold Mortgages Permitted. Tenant shall from time to time and at any time have the right to grant a Leasehold Mortgage of its Leasehold Estate under this Agreement without the City's prior consent, on the conditions that (a) Tenant shall give fifteen (15) days' prior written notice to the City of its intent to grant a Leasehold Mortgage. Following Tenant's granting of a Leasehold Mortgage, upon Tenant's written request to the City, the City will enter into a reasonable and customary agreement with such Leasehold Mortgagee, whereby the City confirms the terms of this Section 13.4, provides a reasonable estoppel certificate with respect to this Agreement and agrees to recognize such Leasehold Mortgagee as tenant under this Agreement provided the assignee attorns to the City. The City agrees to negotiate in good faith with respect to any amendments of this Agreement which are requested by a Leasehold Mortgagee prior to the execution of the Leasehold Mortgage which are reasonably calculated to protect the Leasehold Mortgagee's interest in this Agreement under its Leasehold Mortgage and do not diminish the rights or increase the obligations of the City under this Agreement. No Leasehold Mortgagee shall by virtue of its Leasehold Mortgage acquire any greater right in the Leased Premises than Tenant has under this Agreement. Any Leasehold Mortgage and the indebtedness secured thereby shall at all times be and remain inferior and subordinate to all of the conditions, covenants and obligations of this Agreement and to all of the rights of the City hereunder. In no event shall Tenant have the right to encumber, subordinate or lien or render inferior in any way the City's fee simple title and reversionary interest in and to the Leased Premises or any of the City's improvements or fixtures thereon.

13.4.2 Notices to Leasehold Mortgagees. If at any time after execution and recording of a Leasehold Mortgage in the real property records of King County, Washington, the Leasehold Mortgagee notifies the City in writing of the Leasehold Mortgage and at the same time furnishes the City with the address to which the Leasehold Mortgagee desires copies of notices to be mailed, or designates some Person as its agent and representative for the purpose of receiving copies of notices, the City shall thereafter mail (certified, return receipt requested) to the Leasehold Mortgagee and to the agent or representative so designated, duplicate copies of any and all default or termination notices which the City may thereafter from time to time give or serve upon Tenant under and pursuant to the terms and provisions of this Agreement and any and all pleadings in suits that the City files against Tenant. No notice to Tenant shall be effective with respect to such a Leasehold Mortgagee unless copies thereof are mailed to such Leasehold Mortgagee at the same time the notice is given or served upon Tenant. All notices to the holder of the Leasehold Mortgage shall be given to such holder at the address set forth in the Estoppel Certificate or such other address as the holder designates to the City.

13.4.3 Leasehold Mortgagee's Right to Cure. If the City shall ever have a right to terminate this Agreement by reason of a Tenant Default after the giving of notice and/or the passage of time, as applicable, prior to exercising such right of termination the City shall deliver additional written notice (the "**Additional Notice**") (a) as required under the Estoppel Certificate; or (b) to any Leasehold Mortgagee who has duly requested notice of the City's intention to terminate this Agreement and describing the existing defaults, and the Leasehold Mortgagee thereafter shall have sixty (60) days to cure

the defaults described in the Additional Notice. Notwithstanding the foregoing, in the event (a) the default(s) specified in the Additional Notice are not capable of cure within such sixty (60) day period, this Agreement may not be terminated if the Leasehold Mortgagee delivers to the City, within such sixty (60) day period, written notice of the Leasehold Mortgagee's undertaking to cure the specified default(s) (including, but not limited to, the Leasehold Mortgagee's agreement to pay any of the Rent or other amounts due hereunder, procure the insurance required hereunder, pay any tax or other impositions, make any repairs and improvements required hereunder, or do any other act or thing or make any other payment required of Tenant by the terms of this Agreement or which may be necessary and appropriate to comply with the covenants and conditions of this Agreement to prevent the termination of this Agreement) and the Leasehold Mortgagee thereafter commences and diligently pursues cure of the specified default(s), or (b) the Leasehold Mortgagee is not in actual control of the Leased Premises on the date of the Additional Notice and control is reasonably necessary in order to cure the default(s) specified in the Additional Notice, then the time within which the Leasehold Mortgagee may commence to cure such default(s) shall be extended for a reasonable time until the Leasehold Mortgagee, or a court-approved receiver, can obtain actual control of the Leased Premises, or (c) the default specified in the Additional Notice arises from a bankruptcy filing, insolvency or other similar or related condition of Tenant or such other default which is not capable of cure by the Leasehold Mortgagee, the Leasehold Mortgagee shall not be required to cure. No purported termination of this Agreement will be effective until the City delivers the Additional Notice and the sixty (60) day period, or additional time period required in this Agreement, expires without the described default(s) having been cured. The Leasehold Mortgagee may, at its option any time before the rights of the Tenant under this Agreement shall have been terminated, pay any of the Rent or other amounts due hereunder, procure any insurance required hereunder, pay any tax or other impositions, make any repairs and improvements required hereunder, or do any other act or thing or make any other payment required of Tenant by the terms of this Agreement or which may be necessary and appropriate to comply with the covenants and conditions of this Agreement to prevent the termination of this Agreement. All payments so made and all things so done and performed by any such Leasehold Mortgagee shall be as effective to prevent a forfeiture of the rights of Tenant hereunder as if performed by Tenant.

13.4.4 Leasehold Mortgagee's Liability. No Leasehold Mortgagee shall be or become personally liable to the City as an assignee of this Agreement for the payment or performance of any obligation of Tenant unless and until it expressly assumes by written instrument the payment or performance of such obligation, and no assumption of liability shall be inferred from or result from any action or remedy provided for by any Leasehold Mortgagee; provided, however, any such assignee must timely and diligently perform all obligations of Tenant here under.

13.4.5 No Modification or Surrender. During such time as any portion of the Leased Premises is subject to a Leasehold Mortgage, including the Leasehold Mortgage, this Agreement as to such portion of the Leased Premises may not be voluntarily surrendered without the prior written consent of the Leasehold Mortgagee, and this Agreement as to such portion of the Leased Premises may not be modified without the prior written consent of the Leasehold Mortgagee if the result of such modification would be to (a) shorten the Term, (b) increase the Rent, (c) modify the manner in which insurance or condemnation proceeds are paid and applied, or (d) modify or adversely affect the Leasehold Mortgagee's rights under this Section 13.4.

13.4.6 New Lease. In the event of the termination of this Agreement as a result of Tenant's default, the City shall, in addition to providing the notices as required by Section 13.4.3, provide each Leasehold Mortgagee with written notice that this Agreement has been terminated, together with a statement of all sums which would at the time be due under this Agreement but for such termination, and of all other defaults, if any, then known to the City. The City agrees to enter into a new lease ("**New Lease**") of the Leased Premises with such Leasehold Mortgagee or its designee (which designee must be

either a direct or indirect wholly-owned subsidiary of such Leasehold Mortgagee or an entity that satisfies the conditions set forth in Section 13.1 for an assignment of this Agreement to which the City must consent) for the remainder of the Term of this Agreement, as of the date of termination, at the Rent, and upon the terms, covenants, and conditions (including all options to renew but excluding requirements which are not applicable or which have already been fulfilled) of this Agreement, provided:

13.4.6.1 Such Leasehold Mortgagee shall make written request to the City for such New Lease within sixty (60) days after the date such Leasehold Mortgagee receives the City's notice of termination of this Agreement given pursuant to this Section 13.4.6.

13.4.6.2 Such Leasehold Mortgagee or its designee shall pay or cause to be paid to the City at the time of the execution and delivery of such New Lease, any and all sums which are at the time of execution and delivery thereof due pursuant to this Agreement regardless of such termination and which have not otherwise been received by the City from Tenant or other party in interest under Tenant, plus all reasonable attorneys' fees and expenses that the City shall have actually incurred. Upon execution of such New Lease, the City shall allow to the tenant named therein as an offset against the sums otherwise due under this Section 13.4.6.2 or under the New Lease, an amount equal to the net income derived by the City from the Leased Premises during the period from the date of termination of this Agreement to the date of the beginning of the term of such New Lease.

13.4.6.3 Such Leasehold Mortgagee or its designee shall agree to remedy any of Tenant's defaults of which said Leasehold Mortgagee was notified by the City's notice of termination and which are reasonably susceptible of being so cured by Leasehold Mortgagee or its designee, within one hundred twenty (120) days after the City's notice of termination, taking into consideration any inherent delays in any applicable prescribed approval process for accomplishing any required work, including, without limitation, Leasehold Mortgagee being vested in the Leasehold Estate and the issuance of any Permits and Approvals and the expiration of any applicable appeal periods; provided however, subject to Force Majeure events, in no event later than three hundred sixty (360) days after such issuance of the required Permits and Approvals or the Leasehold Mortgagee's or its designee's commencement of such cure, whichever is later.

13.4.6.4 The tenant under such New Lease shall have the same right, title and interest in and to the Leased Premises and the Facility and other buildings and improvements thereon as Tenant had under this Agreement, and the City shall provide such tenant a subordination and non-disturbance agreement reasonably acceptable to the City.

13.4.6.5 The tenant under any such New Lease shall be liable to perform the obligations imposed on the tenant by such New Lease only during the period such person has ownership of such Leasehold Estate, consistent with Section 13.1.

ARTICLE 14 REPRESENTATIONS AND WARRANTIES

14.1 Tenant Representations and Warranties. Tenant represents and warrants to the City as follows, as of the Effective Date and at all times from and after the date hereof until the expiration or termination of this Agreement:

14.1.1 Valid Existence. Tenant is a limited liability company duly organized and validly existing under the laws of the State of Delaware. Tenant has full limited liability company power to own its property and to conduct its business as presently conducted.

14.1.2 Power: No Limitation on Ability to Perform. Tenant has full limited liability company power and authority to execute and deliver this Agreement and to carry out and perform all of the terms and provisions of this Agreement, and all transactions contemplated hereby, to the extent required to be carried out or performed by Tenant. Neither Tenant's organizational documents agreement, nor to Tenant's knowledge any other agreement, law or other rule in any way prohibits, limits or otherwise affects the right or power of Tenant to enter into and perform all of the terms and provisions of this Agreement and each document, agreement and instrument executed by Tenant in connection herewith, and all transactions contemplated hereby and thereby. Tenant is not party to or bound by any contract, agreement, indenture, trust agreement, note, obligation or other instrument which could prohibit, limit or otherwise affect the same. No consent, authorization or approval of, or other action by, and no notice to or filing with, any Governmental Authority or any other Person is required for the due execution, delivery and performance by Tenant of this Agreement or any other agreement, document or instrument executed and delivered by Tenant simultaneously herewith.

14.1.3 Valid Execution. The execution and delivery of this Agreement by Tenant has been duly and validly authorized by all necessary action. This Agreement is a legal, valid and binding obligation of Tenant, enforceable against Tenant in accordance with its terms, subject to (a) bankruptcy, insolvency, reorganization or other similar laws relating to or affecting creditors' rights generally and (b) general principles of equity.

14.1.4 Defaults. The execution, delivery and performance of this Agreement and each agreement, document and instrument executed and delivered by the Tenant simultaneously herewith (a) do not and will not violate or result in a violation of, contravene or conflict with, or constitute a default under (i) any agreement, document or instrument to which Tenant's assets may be bound or affected, (ii) to Tenant's knowledge, any law, statute, ordinance or regulation applicable to Tenant, or (iii) the partnership agreement or certificate of limited partnership of Tenant, and (b) except as expressly set forth herein or therein, do not and will not result in the creation or imposition of any lien or other encumbrance upon the assets of Tenant.

14.2 City Representations and Warranties. The City represents and warrants to Tenant as follows, as of the date hereof and at all times from and after the date hereof until the expiration or termination of this Agreement:

14.1.5 Valid Existence. The City is a Washington municipal corporation.

14.1.6 Power: No Limitation on Ability to Perform. The City has the power and authority to execute and deliver this Agreement and to carry out and perform all of the terms and provisions of this Agreement, and all transactions contemplated hereby, to the extent required to be carried out or performed by the City. The City is not bound by any contract, agreement, indenture, trust agreement, note, obligation or other instrument which could prohibit, limit or otherwise affect the same. No consent, authorization or approval of, or other action by, and no notice to or filing with, any Governmental Authority or any other Person is required for the due execution, delivery and performance by the City of this Agreement or any other agreement, document or instrument executed and delivered by the City simultaneously herewith.

14.1.7 Valid Execution. The execution and delivery of this Agreement by the City has been duly and validly authorized by all necessary action. This Agreement is a legal, valid and binding obligation of the City, enforceable against the City in accordance with its terms, subject to (a) bankruptcy, insolvency, reorganization or other similar laws relating to or affecting creditors rights generally and (b) general principles of equity. The City will provide to Tenant a written resolution of the City authorizing

the execution and delivery of this Agreement.

14.1.8 Defaults. The execution, delivery and performance of this Agreement (a) does not and will not violate or result in a violation of, contravene or conflict with, or constitute a default under (i) any agreement, document or instrument to which the City is a party or by which the City's assets may be bound or affected or (ii) any law, statute, ordinance or regulation applicable to the City, and (b) does not and will not result in the creation or imposition of any lien or other encumbrance upon the assets of the City.

14.1.9 The execution and delivery of this Agreement, and the consummation of the transactions contemplated by this Agreement, by the City do not violate any provision of Applicable Law.

ARTICLE 15 DEFAULT AND REMEDIES

15.1 Defaults by Tenant. The occurrence of any one or more of the following events constitutes a default by Tenant under this Agreement ("**Tenant Default**"):

15.1.1 Failure by Tenant to carry out (i) any of its Operations consistent with the Operations Plan and the Applicable Standard, or (ii) Maintenance or CapEx Work consistent with the Facility Management Plan and Applicable Standard, if such failure shall continue for more than sixty (60) days after written notice of such failure is given to Tenant by the City; provided, however, that Tenant shall not be in default with respect to matters or that cannot be reasonably cured within sixty (60) days so long as Tenant has promptly commenced such cure and diligently proceeds in a reasonable manner to complete the same thereafter, taking into consideration such factors as the magnitude and complexity of the cure and any inherent delays in the prescribed approval process for accomplishing the work, including, without limitation, the issuance of any Permits and Approvals and the expiration of any applicable appeal periods; provided however, in no event later than one hundred eighty (180) days after such issuance of the required Permits and Approvals or Tenant's commencement of such cure, whichever is later, and subject to extension for Force Majeure;

15.1.2 Failure by Tenant at any time to pay any sums payable by Tenant to the City hereunder within five (5) business days after written notice from the City that any such payment is past due if not paid when due;

15.1.3 Failure by Tenant to observe or perform any other covenant, agreement, condition or provision of this Agreement, including, without limitation, providing the Public Benefits, if such failure shall continue for more than thirty (30) days after written notice of such failure is given to Tenant by the City; provided, however, that Tenant shall not be in default with respect to matters that cannot be reasonably cured within thirty (30) days so long as Tenant has promptly commenced such cure, diligently proceeds in a reasonable manner to complete the same thereafter, taking into consideration such factors as the magnitude and complexity of the cure and any inherent delays in the prescribed approval process for accomplishing the work, including, without limitation, the issuance of any Permits and Approvals and the expiration of any applicable appeal periods; provided however, in no event later than one hundred eighty (180) days after such issuance of the required Permits and Approvals or Tenant's commencement of such cure, whichever is later, and subject to extension for Force Majeure;

15.1.4 Tenant admits in writing its inability to pay its debts as they mature, or makes an assignment for the benefit of creditors, or applies for or consents to the appointment of a trustee or receiver for Tenant;

15.1.5 A trustee or receiver is appointed for Tenant or Tenant Parent and is not discharged within ninety (90) days after such appointment; or

15.1.6 Bankruptcy, reorganization, receivership, arrangement, insolvency or liquidation proceedings, or other proceedings for relief under any federal or state bankruptcy law, or similar law for the relief of debtors (collectively, and each individually, “**Bankruptcy Proceedings**”), are instituted by or against Tenant and/or Tenant Parent, and, if instituted against Tenant and/or Tenant Parent, are allowed against it or are consented to by it or are not dismissed within ninety (90) days after such institution.

15.2 City’s Remedies. If a Tenant Default occurs, in addition to any other rights or remedies the City may have at law or in equity, the City shall have the following rights:

15.2.1 After the time when the City has given notice and any applicable cure period provided has expired, if any sums payable by Tenant shall remain due and payable, or after the time for performance by Tenant of any term, covenant, provision or condition of this Agreement, or before the expiration of that time in the event of a bona fide emergency (in which case the City shall only be required to give notice as is reasonable and practical under the circumstances), the City may, at the City’s election (but without obligation), make such payment required of Tenant under this Agreement, or perform or comply with such covenant or condition imposed on Tenant under this Agreement, as the City deems advisable, from the proceeds of the CapEx Fund. Amounts so paid from other than the CapEx Fund shall be deemed to be additional Rent payable by Tenant immediately upon demand. No such payment, performance or compliance by the City shall constitute a waiver of default or of any remedy for default. The City may, with notice to Tenant and at any time or from time to time, charge, set off, and otherwise apply all or any part of any costs incurred by the City in connection with its performance of Tenant’s obligations against any of the City’s obligations now or in the future. Any amounts which constitute a Tenant Default arising under Section 15.1.2 shall bear interest at the Applicable Rate compounded monthly from the date such amount became due and payable until such Tenant Default is cured.

15.2.2 The City may terminate this Agreement and all rights of Tenant under this Agreement either immediately or at some later date by giving Tenant written notice that this Agreement is terminated. If the City so terminates this Agreement, then the City may recover from Tenant (or the Guarantors pursuant to the terms of the Guaranty) the sum of:

(A) the unpaid Base Rent, CapEx Fund Payments, Rent and all other sums payable under this Agreement which have been earned at the time of termination; plus

(B) interest at the Default Rate on the unpaid Base Rent and all other sums payable under this Agreement which have been earned at the time of termination; plus

(C) the amount by which the unpaid Base Rent, CapEx Fund Payments, Rent and all other sums payable under this Agreement which would have been earned after termination until the time of award exceeds the amount of such rental loss, if any, as Tenant affirmatively proves could have been reasonably avoided and interest on such excess at the Default Rate; plus

(D) the amount by which the aggregate of the unpaid Base Rent and all other sums payable under this Agreement for the balance of the Term after the time of award exceeds the amount of such rental loss, if any, as Tenant affirmatively proves could be reasonably avoided, with such difference being discounted to present value at the Applicable Rate at the time of award; plus

(E) any other amount necessary to compensate the City for the detriment proximately caused by Tenant’s failure to perform Tenant’s obligations under this Agreement or which, in the ordinary

course of things, would be likely to result from such failure, including, leasing commissions, tenant improvement costs, the City staff time, renovation costs, any abated Rent (as set forth in Section 1(g) above), tenant improvement by the City, or allowance or credit, and advertising costs; plus

(F) all such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by Applicable Law.

15.2.3 The City shall also have the right, with or without terminating this Agreement, to re-enter the Leased Premises and remove all persons and property from the Leased Premises. The City may cause property so removed from the Leased Premises to be stored in a public warehouse or elsewhere at the expense and for the account of Tenant.

15.2.4 The City shall also have the right, without terminating this Agreement, to accelerate and recover from Tenant the sum of all unpaid Base Rent, CapEx Fund Payments, Rent and all other sums payable under the then remaining term of the Agreement, discounting such amount to present value at the Applicable Rate.

15.2.5 If Tenant vacates, abandons or surrenders the Leased Premises without the City's consent, or if the City re-enters the Leased Premises as provided herein or takes possession of the Leased Premises pursuant to legal proceedings or through any notice procedure provided by law, then, if the City does not elect to terminate this Agreement, the City may, from time to time, without terminating this Agreement, either (a) recover all Base Rent, CapEx Fund Payments, Rent and all other sums payable under this Agreement as they become due or (b) relet the Leased Premises or any part of the Leased Premises on behalf of Tenant for such term or terms, at such rent or rents and pursuant to such other provisions as the City, in its sole discretion, may deem advisable, all with the right, at Tenant's cost, to make alterations and repairs to the Leased Premises and recover any deficiency from Tenant.

15.2.6 None of the following remedial actions, singly or in combination, shall be construed as an election by the City to terminate this Agreement unless the City has in fact given Tenant written notice that this Agreement is terminated: (a) an act by the City to maintain or preserve the Leased Premises; (b) any efforts by the City to relet the Leased Premises; (c) any repairs or alterations made by the City to the Leased Premises; (d) re-entry, repossession or reletting of the Leased Premises by the City pursuant to this paragraph; or (e) the appointment of a receiver, upon the initiative of the City, to protect the City's interest under this Agreement. If the City takes any of the foregoing remedial action without terminating this Agreement, the City may nevertheless at any time after taking any such remedial action terminate this Agreement by written notice to Tenant.

15.2.7 If the City relets the Leased Premises, the City shall apply the revenue from such reletting as follows: first, to the payment of any indebtedness of Tenant to the City (other than Rent due under this Agreement); second, to the payment of any costs and expenses of obtaining possession of the Leased Premises and of any such reletting (including without limitation attorney fees, finders' fees, leasing commissions, alterations and repairs); third, to the payment of any Rent due and unpaid under this Agreement. The City shall hold and apply the residue, if any, to payment of future Base Rent, CapEx Fund Payments, Rent and other sums payable under this Agreement as the same become due, and shall deliver the eventual balance, if any, to Tenant. Should revenue from letting during any month, after application pursuant to the foregoing provisions, be less than the sum of the Base Rent, CapEx Fund Payments, Rent and other sums payable under this Agreement and the City's expenditures for the Leased Premises during such month, Tenant shall be obligated to pay such deficiency to the City as and when such deficiency arises.

Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies provided in this Agreement or by law (all such remedies being cumulative), nor shall pursuit of

any remedy provided in this Agreement constitute a forfeiture or waiver of any Base Rent, CapEx Fund Payment, Rent or other sum payable under this Agreement or of any damages accruing to the City by reason of the violation of any of the covenants or conditions contained in this Agreement.

If Tenant fails to make any payment or perform any of its obligations under this Agreement, the City may, without notice to or demand upon Tenant and without waiving or releasing Tenant from any obligations under this Agreement, make such payment or perform such obligation of Tenant in such manner and to such extent as the City deems desirable. All sums paid by the City and all necessary costs and expenses in connection with the performance of any such obligation by the City, together with interest at the Default Rate, compounded monthly, from the date the City makes such expenditure, shall be deemed additional rent hereunder and shall be payable to the City on demand. The City may, but shall not be required to, undertake efforts to mitigate its damages resulting from Tenant's default. The City shall not be required to take any action, in response to a Tenant default, which the City deems to be contrary to its best economic interests.

15.2.7.1 The City may enforce the provisions of this Agreement by a suit or suits in equity or at law for the specific performance of any covenant or agreement contained herein, or for the enforcement of any appropriate legal or equitable remedy, including recovery of monetary damages and all moneys due or to become due from the City under any of the provisions of this Agreement, or any other relief or remedy to the extent permitted by law, by filing a cause of action or actions for such damages, equitable relief, or other appropriate remedy or relief from Tenant.

15.3 Default by City. The occurrence of any one or more of the following events constitutes a default by the City under this Agreement ("**City Default**"):

15.3.1 Failure of the City to observe or perform any other covenant, agreement, condition or provision of this Agreement; provided, however, that the City shall first be given a written notice of default containing sufficient specificity to enable the City to determine precisely what action is requested as cure; and provided further, that the City shall be given a reasonable opportunity following receipt of such notice to cure the default, taking into consideration such factors as the magnitude and complexity of the cure and any inherent delays in the prescribed approval process for accomplishing work;

15.3.2 A trustee or receiver is appointed for the City and is not discharged within ninety (90) days after such appointment; or

15.3.3 Bankruptcy Proceedings are instituted by or against the City, and, if instituted against the City, are allowed against it or are consented to by it or are not dismissed within ninety (90) days after such institution.

15.4 Tenant's Remedies. If a City Default occurs, Tenant shall have the following rights:

15.4.1 Tenant may enforce the provisions of this Agreement by a suit or suits in equity or at law for the specific performance of any covenant or agreement contained herein, or for the enforcement of any appropriate legal or equitable remedy, including recovery of monetary damages and all moneys due or to become due from Tenant under any of the provisions of this Agreement, or any other relief or remedy to the extent permitted by law, by filing a cause of action or actions for such damages, equitable relief, or other appropriate remedy or relief from the City in King County District Court; provided, Tenant shall not have a right to terminate this Agreement in the event of a City Default.

15.4.2 After the time when Tenant has given notice and any applicable cure period

provided has expired, if any sums payable by the City shall remain due and payable, or after the time for performance by the City of any other term, covenant, provision or condition of this Agreement, or before the expiration of that time in the event of a bona fide emergency (in which case Tenant shall only be required to give such notice as is reasonable and practical under the circumstances), Tenant may, at Tenant's election (but without obligation), make such payment required of the City under this Agreement, or perform or comply with any such covenant or condition imposed on the City under this Agreement, as Tenant deems available. The amount so paid, plus the cost of such performance or compliance, plus interest on such sums at the Applicable Rate, shall be payable by the City immediately upon demand. No such payment, performance or compliance by Tenant shall constitute a waiver of default or of any remedy for default. In the event the City does not have sufficient lawfully available funds to pay any damages for which the City becomes liable hereunder, the amount of such deficiency shall be applied as a credit to the Rent due hereunder in the order of the next maturing installments.

15.5 General Provisions.

15.5.1 Except as otherwise expressly set forth in this Agreement, no right or remedy conferred upon or reserved to the City or Tenant under this Agreement is intended to be exclusive of any other right or remedy, but each shall be cumulative and in addition to every other right or remedy given herein or now or hereafter existing at law, in equity or by statute.

15.5.2 No waiver by either Party of any breach of obligations, agreements, or covenants herein shall be a waiver of any subsequent breach of any obligation, agreement or covenant, nor shall any forbearance by either Party to seek a remedy for any breach by the other Party be a waiver by such Party of any rights or remedies with respect to such or any subsequent breach, nor shall any express waiver by either Party be deemed to apply to any other existing or subsequent right to remedy any default by the other Party, nor shall any waiver by either Party of any default or breach by the other Party in the performance of any of the covenants or obligations of such other Party under this Agreement be deemed to have been made by the Party against which the waiver is sought to be charged unless contained in a writing executed by such Party.

15.5.3 In the event that either Party fails to pay any payment required hereunder when due, then, without limiting any other rights of the non-defaulting Party, the defaulting Party shall be liable for interest thereon at the Applicable Rate from the date that such installment was due until the date paid in full.

ARTICLE 16 TAX MATTERS

16.1 General. Tenant is solely and exclusively responsible for all taxes and assessments of any kind or nature levied on Tenant, its possession of the Leased Premises and its obligations in operating the Leased Premises (including applicable leasehold excise taxes more specifically referred to below).

16.2 Leasehold Excise Tax. During the Term, as extended, Tenant shall pay leasehold excise tax on as required under Applicable Law.

ARTICLE 17 ELECTIVE DISPUTE RESOLUTION

17.1 Generally. Any claim or dispute between the Parties relating to the requirements of this Agreement (other than those required to be resolved pursuant to the provisions of Article 18) may be submitted in writing by a Party to a non-binding dispute resolution process as described below, or any other dispute resolution process agreed to by the Parties in writing. Throughout the process, the City and Tenant shall proceed in a timely manner and in good faith to resolve such claims or disputes based on accurate and shared information and on a confidential basis.

17.2 Pre-Mediation. The Parties shall make a good faith effort to resolve any dispute or claim by negotiation between representatives with decision making power. If resolution does not result, the City and Tenant shall then attempt to resolve the dispute through a conference of the City Manager and Tenant's Chief Executive Officer or President. The procedures utilized for the conference shall include the exchange of written claims and responses, with supporting information, at least seven (7) days prior to the conference or such shorter period as agreed to by the Parties. The positions expressed, responses and submitted information shall not be admissible as evidence in any subsequent arbitration or legal proceeding.

17.3 Mediation. If the procedure required by Section 17.2 does not result in resolution of the claim or dispute, then within ten (10) calendar days after the last conference meeting or final exchange of written positions, either Party may initiate a non-binding, structured mediation to be developed by the Parties with the assistance of individuals or organizations experienced in alternative dispute resolution ("ADR"). Tenant and the City shall agree on a single qualified mediator. Such ADR process will be initiated within thirty (30) days of the request unless extended by an agreement of both Parties. The ADR procedures utilized for the mediation shall include the exchange of written claims and responses, with supporting information, at least ten (10) days prior to the actual mediation. The mediator's recommendations and/or findings shall be maintained as confidential by the Parties to the extent permitted by Applicable Law.

ARTICLE 18

BINDING DISPUTE RESOLUTION

18.1 Generally. Any claim or dispute between the Parties relating to matters identified for resolution pursuant to this Article 18 shall be submitted in writing by the Parties to a dispute resolution process as described below. Throughout the process, the City and Tenant shall proceed in a timely manner and in good faith to resolve such claims or disputes based on accurate and shared information and on a confidential basis.

18.2 Pre-Arbitration. The Parties shall make a good faith effort to resolve any dispute or claim by negotiation between representatives with decision-making power. If resolution does not result, the City and Tenant shall then attempt to resolve the dispute through a conference of the City Manager and Tenant Chief Executive Officer or President. The procedures utilized for the conference shall include the exchange of written claims and responses, with supporting information, at least seven (7) days prior to the conference or such shorter period as agreed to by the Parties. The positions expressed, responses and submitted information shall not be admissible as evidence in any subsequent arbitration or legal proceeding.

18.3 Arbitration. If the procedure required by Section 18.2 does not result in resolution of the claim or dispute, then within ten (10) days after the last conference meeting or final exchange of written positions, either Party may initiate a binding arbitration in accordance with the following provisions and

Chapter 7.04A RCW (or any successor provision thereto) or any other method of arbitration mutually agreed to by the Parties.

18.4 Generally. All such arbitration shall be conducted before a panel designated in the manner hereinafter provided (the “**Panel**”). Except as specifically provided for herein, all such arbitration shall be conducted in the City of Kirkland or Seattle in accordance with the rules of the American Arbitration Association, and the decision of each Panel shall be final and binding upon the Parties.

18.5 Panel. Each Panel shall consist of three (3) persons mutually selected by the Parties, including: (a) one attorney selected from a list of fifteen (15) attorneys licensed to practice law in the State, which list shall be furnished by the Seattle Chapter of the American Arbitration Association; and (b) two independent professionals with subject matter expertise in the issue being arbitrated (e.g., construction, economics, accounting, engineering, etc.), with each Party appointing one such expert, unless the number of persons on the Panel, or the qualifications of the individuals on the list, are otherwise mutually agreed to by the Parties. In the event that within fifteen (15) days after the submission of a dispute to arbitration, the Parties have been unable to agree on the attorney representative on the Panel, then representatives of the Parties shall meet promptly and the following procedures shall be applicable: The City shall strike the name of a person on the list. Within fifteen (15) minutes thereafter, Tenant shall strike a name from the list. At no more than fifteen (15) minute intervals thereafter, each Party shall strike a name from the list. If any Party fails to strike a name within the allotted time period, it shall forgo its turn to strike a name.

18.6 Joinder. Tenant or the City may join any other party to the arbitration who is needed for just adjudication. The standard for joinder of any other party shall be provided under Rule 19 of the Washington Rules of Civil Procedure.

18.7 Hearing Date. On appointment of the Panel as provided above, the Panel shall hold a hearing within twenty (20) days after the appointment of the Panel.

18.8 Pre-Hearing and Hearing. At least ten (10) days prior to the hearing, the Parties shall meet and exchange exhibits and pre-hearing statements and stipulate and agree on non-disputed facts. No exhibit shall be admitted unless listed on the pre-hearing statement and exchanged between the Parties. No witness may be presented unless indicated on the pre-hearing statement or unless produced for rebuttal purposes. Prior to or at the hearing, the Parties shall submit memoranda outlining the relevant issues for the Panel. At the hearing, the laws of evidence of the State shall apply, and the Panel shall allow each Party to present that Party’s case, evidence and witnesses, and render their award.

18.9 Award. The Panel shall render its award in a written decision within thirty (30) days of the conclusion of the hearings. In rendering its award the Panel shall have full authority to interpret and apply the terms of this Agreement, but shall have no authority to add to, or subtract from or otherwise modify or amend the terms of this Agreement.

18.10 Judgment on Award. The award of the majority of the arbitrators shall be final and binding on the Parties and judgment may be entered on such award in the King County District Court.

18.11 Attorneys’ Fees. Each Party will bear its own attorneys’ fees and costs and shall not request an award of attorneys’ fees or costs in the formal dispute resolution process under this Article, unless specifically allowed under Section 20.17.

ARTICLE 19 CONDEMNATION

19.1 General. “**Condemnation**” and “**Condemn**” mean the taking of property by exercise of the power of eminent domain, whether by formal condemnation proceedings or by purchase under threat of exercise of the power of eminent domain proceedings. “**Condemnation Award**” means all amounts paid with respect to any Condemnation, including amounts paid voluntarily by a condemning authority and amounts paid pursuant to a court order, and including amounts paid for Condemnation of fee title interests and amounts paid for Condemnation of leasehold interests.

19.2 Condemnation of Material Part. In the event that a material part of the Leased Premises is Condemned during the Term, Tenant shall have the right to terminate this Agreement by giving written notice to the City within ninety (90) days after the date the City shall have given Tenant written notice of the Condemnation (except as provided in Section 19.3 below). As used in this Article 19, Condemnation of a material part includes, without limitation, Condemnation of part of the Leased Premises so that (i) Tenant cannot reasonably use the Leased Premises for its intended use or (ii) it is impossible for Tenant to use the Leased Premises for its intended use.

19.3 Tenant Election to Treat as Condemnation of Nonmaterial Part. Notwithstanding Section 19.2, Tenant may elect in its sole discretion, by written notice given to the City, to treat a Condemnation of a “material part” of the Leased Premises as Condemnation of a “nonmaterial part” of the Leased Premises, in which event this Agreement shall not terminate, and the provisions of Section 19.4 shall apply.

19.4 Condemnation of Nonmaterial Part. If a nonmaterial part of the Leased Premises is Condemned, or if Tenant elects to treat a Condemnation of a material part of the Leased Premises as Condemnation of a nonmaterial part of the Leased Premises, then (a) this Agreement shall not terminate as a result thereof, (b) all of the Condemnation Award, while paid directly from the condemning authority to the City and remitted by the City to Tenant, shall be used by Tenant to restore the Leased Premises to a state similar to that which existed immediately prior to the Condemnation.

19.5 Allocation of Condemnation Award. In the event of Condemnation of a material part of the Leased Premises and a termination of this Agreement, both Parties shall have the right to participate in the settlement or compromise of any Condemnation Award, and the amount of any Condemnation Award shall be separately determined by the court having jurisdiction over such proceedings based on the following: the City shall be entitled to that portion of the Condemnation Award attributable to the value of its interest in the Real Property (or a portion thereof, in the case of a partial taking); and Tenant shall be entitled to that portion of the Condemnation Award attributable to the value of Tenant’s leasehold interest in the Leased Premises, as determined by the court.

19.6 Temporary Taking. This Agreement shall not terminate by reason of a temporary taking of the Leased Premises or any portion thereof for public use, except as provided in this Section 19.6. In the event of such a temporary taking, the rights and obligations of the Parties under this Agreement shall continue in full force and effect, except that:

19.6.1 any Condemnation Award for such temporary taking shall be paid directly by the condemning authority to Tenant; and

19.6.2 upon the termination of the temporary taking, to the extent of the Condemnation Award, Tenant shall use reasonable efforts to restore the Leased Premises to a state similar to that which

the Leased Premises was in immediately prior to the taking.

19.6.3 Notwithstanding the foregoing, if a temporary taking of a material part of the Leased Premises exceeds two (2) years in duration, then for a period of thirty (30) days following expiration of the two (2) year period Tenant may terminate this Agreement by giving written notice to the City, which shall be effective thirty (30) days after the notice is timely given.

19.7 Efforts to Prevent Condemnation. The City agrees to use its reasonable efforts to cause the City, the County and all other competent authorities with the power of eminent domain to refrain from instituting any Condemnation proceedings or exercising any other powers of eminent domain with respect to the Leased Premises, or any material part thereof or any material interest therein during the Term of this Agreement.

ARTICLE 20 MISCELLANEOUS

20.1 Confidentiality. Except for those matters that must be disclosed to perform the commitments of the City and Tenant under this Agreement, and except as otherwise provided by Applicable Law, including but not limited to public record and public meeting laws, the City and Tenant agree that the provisions of this Agreement are confidential business of the City and Tenant. Tenant shall not make any public announcements or advertise any affiliation with the City. Notwithstanding the foregoing, the provisions of this Section 20.1 shall not be applicable with respect to information that becomes public through parties other than Tenant, including information that may become public through information requests directed at the City and information that may become public as part of the City's internal approval and ongoing reporting processes.

Notwithstanding the foregoing, nothing contained hereby shall be deemed to prohibit the City or Tenant from disclosing the terms and provisions of this Agreement: (i) in connection with the enforcement of the terms of this Agreement; (ii) to the extent required by any subpoena or court order or requested by any governmental entity; (iii) to their advisors and Affiliates and, in the case of Tenant, to any actual or proposed Leasehold Mortgagee or lender to its Affiliate; (iv) to the extent required by the requirements of any applicable securities exchange; provided, however, in the case of any disclosure pursuant to clauses (iii), the disclosing party shall notify the recipient of such information of the obligation to keep such information confidential; or (v) pursuant to Applicable Law. Tenant shall also be permitted to disclose the terms and provisions of this Agreement to the NHL.

20.2 Broker's Commissions. The City and Tenant have used no broker or finder in connection with this transaction. Each Party represents to the other Party that the representing party has incurred no liability for any brokerage commission or finder's fee arising from or relating to the negotiation or execution of this Agreement, other than as set forth in this Section 20.2. Each Party hereby indemnifies and agrees to protect, defend and hold harmless the other party from and against all liability, cost, damage or expense (including, without limitation, attorneys' fees and costs incurred in connection therewith) on account of any brokerage commission or finder's fee which the indemnifying Party has agreed to pay or which is claimed to be due as a result of the actions of the indemnifying Party. This Section 20.2 is intended to be solely for the benefit of the parties hereto and is not intended to benefit, nor may it be relied upon by, any person or entity not a party to this Agreement.

20.3 No Joint Venture. Nothing in this Agreement shall be construed as creating a joint venture or any other partnership between the City and Tenant. To the extent Tenant manages the Leased Premises

hereunder, Tenant shall be an independent contractor of the City.

20.4 Governing Law: Venue. This Agreement is made, and shall be construed under, the laws of the State of Washington. Each Party agrees that, except with regard to matters required to be submitted to the dispute resolution provisions of Article 18, the King County District Court shall have the exclusive jurisdiction and venue for any dispute under this Agreement, and each Party hereby consents to jurisdiction in such court.

20.5 Force Majeure. Should any fire or other casualty, act of God, earthquake, flood, epidemic, landslide, war, riot, civil commotion, general unavailability of certain materials, strike, lockout, labor dispute or other occurrence reasonably beyond the control of Tenant or the City (any of the foregoing hereinafter referred to as “**Force Majeure**”) prevent performance of any non-monetary obligation of this Agreement in accordance with its provisions, performance of such non-monetary obligation of this Agreement by such Party shall be suspended or excused to the extent commensurate with such interfering occurrence, except as specifically provided herein. For the avoidance of all doubt, this paragraph shall not suspend or excuse any of the payment obligations of either Party. Either Party (the “**Noticing Party**”) shall give the other Party notice within one (1) business day of the commencement of the Force Majeure event explaining the nature or cause of the delay and stating the period of time the delay is expected to continue. The Noticing Party shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure event are minimized. The Noticing Party shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause.

20.6 Reasons for Disapproval. Whenever in this Agreement a Party is given the right to consent to, approve or disapprove any matter or action, any disapproval shall be timely and reasonable and shall state the specific reasons therefor, except where it is specifically provided that a Party may withhold consent or approval or otherwise act in its sole discretion.

20.7 Successor Bound. The covenants, terms, provisions and conditions of this Agreement shall be binding upon and inure to the benefit of the City and Tenant and their respective successors and, to the extent permitted herein, assigns. In the event of a sale or conveyance by the City of the Leased Premises, the City shall be released from any and all liability under this Agreement. Except as set forth in this Section 20, this Agreement shall not be affected by any such sale or transfer, and Tenant agrees to attorn to the purchaser or assignee.

20.8 Words of Limitation. Whenever the words “including,” “including but not limited to” or “by way of example” or any other similar prefatory words are used throughout this Agreement, such words shall be deemed to preface an example or list of examples, which examples are set forth for informational purposes only and not for purposes of limitation.

20.9 Captions and Headings. The captions and headings throughout this Agreement are for convenience and reference only and the words contained therein shall in no way be held or deemed to define, limit, describe, explain, modify amplify or add to the interpretation, construction or meaning of any provisions of this Agreement or the scope or intent thereof, nor in any way affect this Agreement.

20.10 Execution of Counterparts. This Agreement may be simultaneously executed in two or more counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

20.11 Further Assurances. Tenant and the City shall execute, acknowledge and deliver, after the date hereof, without additional consideration, such further assurances, instruments and documents and shall take such further actions, as the City or Tenant shall reasonably request of the other in order to fulfill the intent of this Agreement and the transactions contemplated thereby.

20.12 No Third-Party Beneficiary. The Parties understand and agree that the enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the City and Tenant, or their successors or assigns, and nothing contained in this Agreement shall give or allow any such claim or right of action by any third person or entity whatsoever on such Agreement.

20.13 Amendment; Waiver. Notwithstanding anything herein to the contrary, this Agreement may not be amended, supplemented or otherwise modified, and no provision herein may be waived unless executed by an instrument in writing by the Parties hereto. The failure of Tenant or the City to insist in any one or more instances upon the strict performance of any of the covenants, agreements, terms, provisions or conditions of this Agreement or to exercise any election herein contained shall not be construed as a waiver or relinquishment for the future of such covenant, agreement, term, provision, condition, election or option, but the same shall continue and remain in full force and effect. No waiver by Tenant or the City of any covenant, agreement, term, provision or condition of this Agreement shall be deemed to have been made unless expressed in writing and signed by an appropriate official on behalf of the City or Tenant. The payment by either Party of sums due and payable hereunder, with knowledge of the breach of any covenant, agreement, term, provisions or condition herein contained, shall not be deemed a waiver of such breach. No payment by a Party or receipt by a Party of a lesser amount than the Rent or any other sum due under this Agreement shall be deemed to be other than on account of the earliest stipulated payment, nor shall any endorsement or statement of any check or any letter accompanying any check or payment be deemed an accord and satisfaction or a modification of any obligations under this Agreement, or a limitation on the right of the Party entitled to payment to recover the balance of such payment or pursue any other remedy provided in this Agreement.

20.14 Severability. If any article, section, subsection, term or provision of this Agreement or the application thereof to either Party or circumstance shall, to any extent be invalid or unenforceable, the remainder of the article, section, subsection, term or provision of this Agreement or the application of same to Parties or circumstances other than those to which it is held invalid or unenforceable shall not be affected thereby and each remaining article, section, subsection, term or provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

20.15 Indemnification; Waiver and Limitation of Liability.

20.15.1 By Tenant. To the greatest extent allowed by Applicable Law, unless otherwise provided herein, Tenant agrees to defend, indemnify and hold harmless the City and its City Council, members, officers, employees and agents (collectively with the City, the “**City Indemnified Parties**” and each, an “**City Indemnified Party**”) from and against all liabilities, costs, damages and expenses, including reasonable attorneys’ fees and court costs (including those incurred in Bankruptcy Proceedings), with respect to any third-party claim arising out of (a) any breach of this Agreement by Tenant or (b) Tenant’s or Tenant’s employees’, agents’, consultants’, contractors’ or invitees’ use, operation and possession of the Leased Premises. Tenant shall indemnify each City Indemnified Party with respect to any and all third-party claims as set forth above provided that: (i) the City Indemnified Party promptly notifies Tenant in writing of the claim; (ii) Tenant has sole control of the defense and all related settlement

negotiations with respect to the claim, provided, however, that the City Indemnified Party has the right, but not the obligation, to participate in the defense of any such claim or action through counsel of its own choosing; and (iii) the City Indemnified Party cooperates fully to the extent necessary, and executes all commercially reasonable documents necessary for the defense of such claim. To the extent necessary to fully indemnify the City from claims made by Tenant or its employees, the indemnity set forth in this Section 20.13.1 constitutes a waiver of Tenant's immunity under the Washington Industrial Insurance Act, Title 51 RCW. This indemnification will also inure to the successors and assigns of the City Indemnified Parties and will be binding upon the successors and assigns of Tenant, and this indemnification will survive the expiration or termination of this Agreement.

20.15.2 By the City. To the greatest extent allowable by Applicable Law, unless otherwise provided herein, the City agrees to defend, indemnify and hold harmless Tenant and its members, partners, employees and agents, and the officers and directors and trustees of each Tenant member and partner (collectively with Tenant, the "**Tenant Indemnified Parties**" and each, a "**Tenant Indemnified Party**") from and against all liabilities, costs, damages and expenses, including reasonable attorneys' fees and court costs (including those incurred in Bankruptcy Proceedings), with respect to any third-party claim arising out of (a) any breach of this Agreement by the City or (b) the City's or the City's employees', agents', consultants', contractors' or invitees' use or operation of the Community Center or the Parking Area. The City shall indemnify each Tenant Indemnified Party with respect to any and all third-party claims as set forth above provided that: (i) Tenant Indemnified Party promptly notifies the City in writing of the claim; (ii) the City has sole control of the defense and all related settlement negotiations with respect to the claim, provided, however, that Tenant Indemnified Party has the right, but not the obligation, to participate in the defense of any such claim or action through counsel of its own choosing; and (iii) Tenant Indemnified Party cooperates fully to the extent necessary, and executes all commercially reasonable documents necessary for the defense of such claim. This indemnification will also inure to the successors and assigns of the Tenant Indemnified Parties and will be binding upon the successors and assigns of the City, and this indemnification will survive the expiration or termination of this Agreement.

20.15.3 Limitations. In compliance with RCW 4.24.115 as in effect on the Effective Date, all provisions of this Agreement pursuant to which the City or Tenant (the "**Indemnitor**") agrees to indemnify the other (the "**Indemnitee**") against liability for damages arising out of bodily injury to persons or damage to property relative to the construction, alteration, repair, addition to, subtraction from, improvement to, or maintenance of, any building, road, or other structure, Facility, development, or improvement attached to real estate, including the Leased Premises, (a) shall not apply to damages caused by or resulting from the sole negligence of the Indemnitee, its agents or employees, and (b) to the extent caused by or resulting from the concurrent negligence of (i) the Indemnitee or the Indemnitee's agents or employees, and (ii) the Indemnitor or the Indemnitor's agents or employees, shall apply only to the extent of the Indemnitor's negligence; provided, however, the limitations on indemnity set forth in this Section 20.13.3 shall automatically and without further act by either the City or Tenant be deemed amended so as to remove any of the restrictions contained in this Section 20.13.3 no longer required by then-Applicable Law.

20.15.4 Estoppel Certificates. The City and Tenant shall, at any time and from time to time but in no event more frequently than twice in any Lease Year, upon not less than twenty (20) days' prior written request by the other, execute, acknowledge and deliver to the other Party, or the designee of the other Party, a statement in writing (each, an "**Estoppel Certificate**") certifying (a) that this Agreement is unmodified and in full force and effect (or, if there have been modifications, that this Agreement is in full force and effect as modified and identifying the modifications); (b) confirming the commencement

and expiration dates of the Term; (c) that, to the best knowledge of the certifying Party (without specific investigation or study), there are no defaults under this Agreement and there are no defenses, setoffs or counterclaims against the enforcement of this Agreement; (d) the dates to which Rent and other amounts owing under this Agreement are paid in advance; and (e) any other information which is reasonably requested by the addressee. The addressee of each Estoppel Certificate and the Leasehold Mortgagee shall be authorized to rely on the Estoppel Certificate for any and all reasonable purposes disclosed at the time the Estoppel Certificate is requested. If either Party fails to deliver an Estoppel Certificate within the time period set forth above, the Party shall be deemed to have acknowledged (i) that this Agreement is in full force and effect and has not been assigned, amended or modified and (ii) that there are no defaults, defenses, setoffs or counterclaims under this Agreement existing as of the date of the written request for such Estoppel Certificate.

20.15.5 Notice Provisions. All notices, demands, requests and other communications required or permitted hereunder shall be in writing, and shall be (a) personally delivered with a written receipt of delivery; (b) sent by a nationally-recognized overnight delivery service requiring a written acknowledgement of receipt or providing a certification of delivery or attempted delivery; (c) sent by certified or registered mail, return receipt requested; or (d) sent by electronic delivery. All notices shall be deemed effective when actually delivered as documented in a delivery receipt; provided, however, that if the notice was sent by overnight courier or mail as aforesaid and is affirmatively refused or cannot be delivered during customary business hours by reason of the absence of a signatory to acknowledge receipt, then the first attempted delivery shall be deemed to constitute delivery. Each Party shall be entitled to change its address for notices from time to time by delivering to the other Party notice thereof in the manner herein provided for the delivery of notices. All notices shall be sent to the addressee at its address set forth following its name below:

City: City of Kirkland
123 5th Avenue
Kirkland, WA 98034
Attention: Kurt Triplett
Phone: 425-486-3001
Email: CityManagersOffice@kirklandwa.gov
And also email: CityAttorneyOffice@kirklandwa.gov

With a copy to:

Pacifica Law Group LLP
401 Union Street, Suite 1600
Seattle, Washington 98101
Attention: John De Lanoy
Phone: 206 602-1205
Email: john.delanoy@pacificalawgroup.com

Tenant: Seattle Hockey Partners LLC
10601 5th Ave. NE, Suite 100
Seattle, WA 98125
Attention: Lance Lopes
Phone: 425-830-1792
Email: llopes@seattlekraken.com

With a copy to:

Miller Nash LLP
605 5th Ave. S, Suite 900
Seattle, WA 98104
Attention: Jessica Cohen
Phone: 206-777-7471
Email: Jessica.Cohen@millernash.com

20.16 Covenant of Quiet Enjoyment. The City covenants that if, and so long as, Tenant keeps and performs each and every covenant, agreement, term, provision and condition of this Agreement on the part and on behalf of Tenant to be kept and performed, Tenant shall quietly enjoy its rights under this Agreement without hindrance or molestation by the City or by any other person lawfully claiming the same by, through or under the City, subject to the covenants, agreements, terms, provisions and conditions of this Agreement.

20.17 Memorandum of Lease. The City and Tenant shall execute and acknowledge a memorandum of lease evidencing this Agreement, sufficient to give notice of the leasehold estate created hereunder, including the Renewal Periods. The memorandum of lease may be recorded in the real property records of King County, Washington.

20.18 Surrender. At the expiration or earlier termination of this Agreement, Tenant shall deliver the Leased Premises (exclusive of Tenant's trade fixtures and personal property, which Tenant shall be entitled to remove, provided that Tenant diligently repairs any damage caused by such removal) in good and serviceable condition, having been maintained to the Applicable Standard and taking into account normal wear and tear not yet of a degree that requires repair or replacement to meet the Applicable Standard, and subject to the terms and provisions of Section 6.6.

20.19 Attorneys' Fees. If any action or proceeding, whether judicial or non-judicial, is commenced with respect to any claim or controversy arising from a Tenant Default, a City Default, or with respect to third-party claims covered under Section 20.13, in addition to any and all other relief, the substantially prevailing Party in such action or proceeding shall receive and be entitled to recover all costs and expenses, including reasonable attorneys' fees and costs, incurred by it on account of or related to such action or proceeding. As used herein, the term "substantially prevailing party" means the Party that has obtained substantially the relief sought, whether by compromise, settlement or judgment.

20.20 No Special Damages. Under no circumstances whatsoever shall either Party ever be liable to the other for punitive, consequential or special damages arising out of or relating to this Agreement, under common law or by way of tort. The Parties hereby waive any and all rights each may have to such damages arising out of or relating to this Agreement, including, but not limited to, damages incurred as a result of either Party's default under this Agreement, and/or either Party's breach of common law, tort or statutory duties owed to the other, if any.

20.21 Authority. Each individual executing this Agreement on behalf of Tenant hereby covenants and warrants that s/he is duly authorized to execute and deliver this Agreement on behalf of Tenant in accordance with the terms of such entity's partnership agreement. Tenant shall provide the City on demand with such evidence of such authority as the City shall reasonably request, including, without limitation, resolutions, certificates and opinions of counsel.

20.22 OFAC Compliance.

20.22.1 Representations. Tenant certifies, represents, warrants and covenants that: (a) it is not acting and will not act, directly or indirectly, for or on behalf of any person, group, entity, or nation named by any Executive Order or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person", or other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule, or regulation that is enforced or administered by the Office of Foreign Assets Control; and (b) it is not engaged in this transaction, directly or indirectly on behalf of, or instigating or facilitating this transaction, directly or indirectly on behalf of, any such person, group, entity or nation.

20.22.2 Indemnification. Tenant hereby agrees to defend (with counsel reasonably acceptable to the City), indemnify and hold harmless the City from and against any and all claims, suits, expenses or liabilities arising from or related to any such breach of the foregoing certifications, representations, warranties and covenants.

20.23 Compliance with Laws. Tenant shall comply at all times with Applicable Law related to its use, operation, management, maintenance, repair, replacement and improvement of the Leased Premises.

20.24 Guaranty. On the Effective Date, Tenant Parent and Slapshot LLC, a Delaware limited liability company (collectively "**Guarantors**") will enter into the form of guaranty attached hereto as Exhibit B ("**Guaranty**") which shall provide for the guaranty of Tenant's obligations pursuant to the terms of this Agreement.

20.25 Use of Community Center. The Parties shall enter into a joint use agreement to outline Tenant's use of the Community Center and agree upon a schedule of use.

20.26 Exhibits and Schedules.

Exhibit A-1	Depiction of Leased Premises
Exhibit A-2	Legal Description of Real Property
Exhibit A-3	Depiction of Community Center
Exhibit B	Parking Area
Exhibit C	Form of Guaranty
Schedule 1	Base Rent Schedule
Schedule 2	City's Signage Criteria

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

CITY:

City of Kirkland

By: _____

Its: _____

Tenant:

By: _____

Its: _____

EXHIBIT A-1

DEPICTION OF FACILITY

{TO BE ADDED PRIOR TO EXECUTION}

EXHIBIT A-2

LEGAL DESCRIPTION

{TO BE ADDED PRIOR TO EXECUTION}

EXHIBIT A-3

DEPICTION OF COMMUNITY CENTER

{TO BE ADDED PRIOR TO EXECUTION}

EXHIBIT B
FORM OF GUARANTY

SCHEDULE 1
BASE RENT SCHEDULE

{TO BE ADDED PRIOR TO EXECUTION}

SCHEDULE 2
CITY'S SIGNAGE CRITERIA

{TO BE ADDED PRIOR TO EXECUTION; SHOULD BE BASED ON THE DEVELOPMENT
STANDARDS IN THE AGREEMENT TO LEASE}

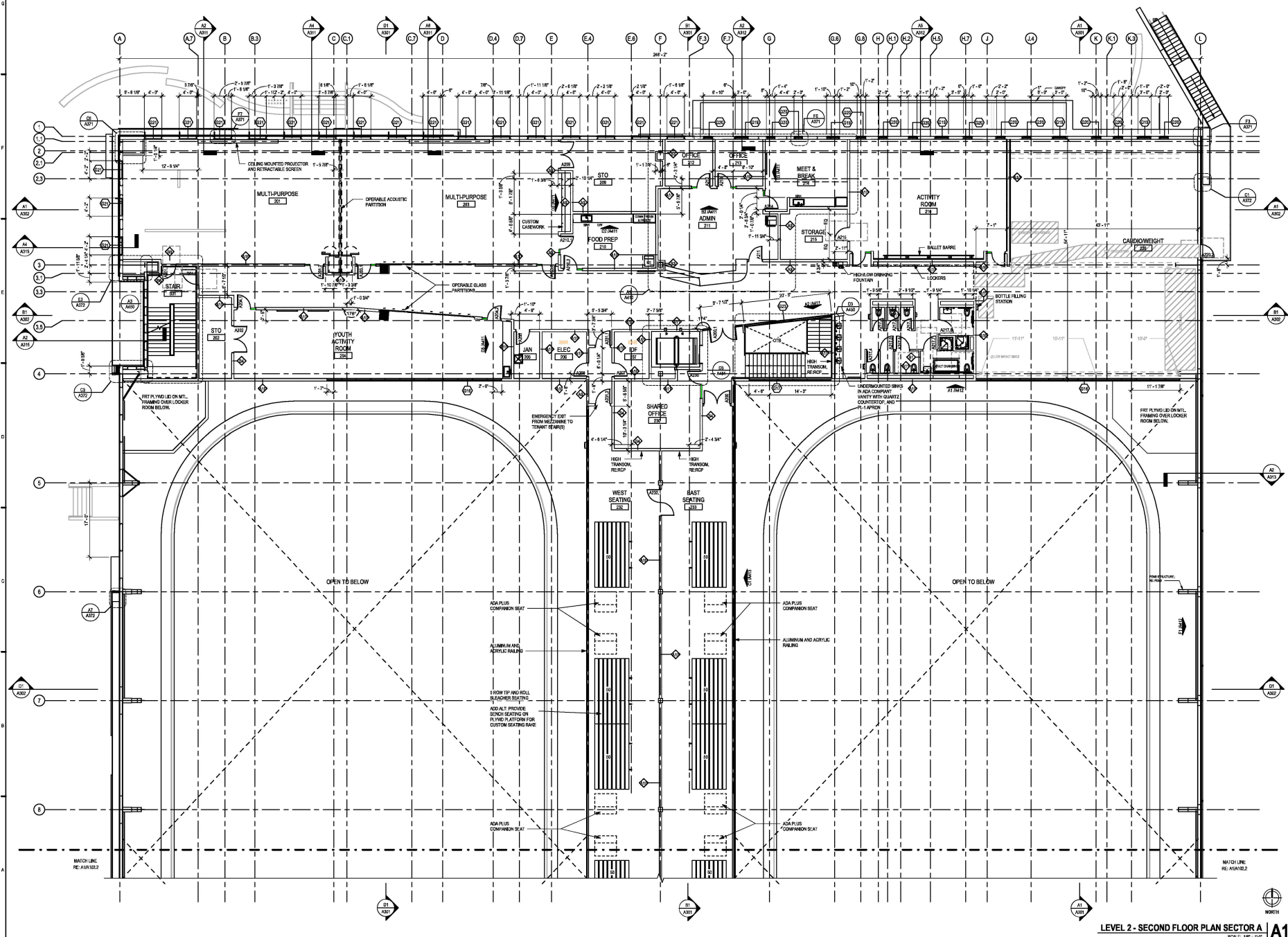
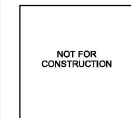
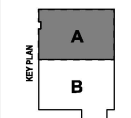
Exhibit F
Delivery Schedule

[Attached]

Exhibit G
Reserved.

Exhibit H
Community Center Plans & Specifications

[Attached – awaiting final approval]



KIRKLAND COMMUNITY CENTER

DESIGN REQUIREMENTS

Project Description

The Kirkland Community Center facility is proposed to be on the second floor of a shared facility with an Iceplex and supporting space on the first floor. This facility will serve community members of all ages from preschool and afterschool age programming through active adult programming. These spaces were identified by staff based on community feedback and recommendations in the PROS Plan while considering the constraints of the floor plan size. Initial programming will be adhere closely based on the following area allocations. Final programming allocation and floor plan shall be reviewed and approved by the Kirkland Design Team at each stage of design (SD, DD, and CD). Square footages listed below are an estimate.

Programmatic Space – 8,000 sq ft

- 3020 sq ft multi-purpose room with divider for (2) equal sized multi-purpose community rooms and 225 sq ft storage
 - Located in the northwest corner to maximize west facing lake view for rentals
- 260 sq ft kitchen adjoining the multi-purpose room
- 1045 sq ft activity / wellness room with 159 sq ft storage
- 1000 sq ft youth room with 180 sq ft storage
- 2450 sq ft weight room with some cardio pieces

Administrative and Operations Space – 2,865sq ft

- Employee space – 1,000 sq ft, located adjoining reception desk including:
 - Reception desk – 485 sq ft located at entrance from stairwell/elevator includes (2) office cubicles and circulation space behind desk
 - IT closet 75 sq ft (Locate adjacent to Reception if possible)
 - 2 private offices at 125 sq ft each with glass walls for daylight
 - 2 cubicles adjacent to Reception
 - Meeting Room/Break Room space 145 sq ft
- 2 General building storage areas with primary access to circulation at 125 sq ft each
- 1 janitorial closet – 60 sq ft
- Restrooms – 658 sq ft
 - 2 Self-contained ADA rooms with toilet, shower and sink – 150 sq ft
 - 1 Gender Neutral restroom with (6) stalls and (3) sinks – 450 sq ft

Circulation – 2,549 sq ft

Guiding Principles

The Guiding Principles for the Community Center Design are the following:

1. Universal and inclusive design which promote a sense of belonging and are welcoming, safe and accessible to all.
2. Maximize versatility of the facility with thoughtfully flexible spaces that focus on the Kirkland Community needs.

3. Create a design which is cohesive with the Kraken Iceplex, finding synergies.
4. Develop space use and operational efficiencies.
5. Incorporate security and safety into the design for internal programmatic space and the surrounding site.
6. Optimize the project budget to maximize outcomes for the City while designing for durability and longevity of the facility.
7. Capitalize on views to Lake Washington and beyond. Strategically consider views internally to create safe and connected spaces throughout.
8. Leverage project outcomes to become a legacy project for the City of Kirkland and an economic driver for further development in the region.

Interior Finishes

Interior finishes were selected for their aesthetic quality, as well as their durability and appropriateness for each program space. Fit and Finish shall be appropriate for modern Civic facilities. The City of Redmond Senior and Community Center embodies this fit and finish expectation and should be a reference for this project.

- **Circulation** Exposed sealed/polished concrete floors at all circulation areas with wood base. Provide High Impact Gypsum board on lower 4-feet of wall and stainless-steel corner guards at all exposed corners. Linear wood ceiling is to be used to designate the circulation area as a visible wayfinding cue.
- **Kitchen** will have porcelain tile flooring will FRP on all walls up to 8' high with epoxy paint above. Ceiling to be washable ACT ceiling and t-grid.
- **Office and Reception** will have carpeting and rubber base throughout. Ceilings will be painted gypsum in the reception area with acoustic PET wall panels similar to Polysorb above 8-feet. The enclosed offices will have acoustic ceiling tiles.
- **Break Room and Meeting** to have linoleum flooring and rubber base throughout. ACT ceiling will be utilized in the room.
- **Youth/Arts and Craft Room** to have sealed/polished concrete and rubber base throughout. Provide acoustic PET wall panels similar to Polysorb above 8-feet. A folding glass wall will open into circulation to accommodate a pre-function space for multi-purpose room events.
- **Multi-Purpose Community Room** to include sprung vented hardwood flooring. Enhanced wall and ceiling acoustics need to be included for speech intelligibility and amplified sound. A combination of gypsum board ceiling clouds and linear wood ceiling components will be used throughout the space.
- **Cardio /Weight Room** to include Rubber sport flooring and wall mirrors in free weight zone. Smartly planned electrical and data outlets will support cardio equipment.
- **Multi-Purpose Activity Room** will have sprung vented hardwood sport flooring and venter rubber base. Mirrors with ballet bars are to be located on perpendicular walls.
- **Restrooms and Shower Stall Rooms** will have thin set ceramic tile flooring and base with full coverage tile at all (wet) plumbing walls up to ceiling height. Epoxy paint is to be used on all surfaces that are not tile. Toilet partitions will be solid plastic or phenolic toilet partitions.

Ceilings will be epoxy painted gypsum board. Toilet Accessories to be selected by City of Kirkland to be consistent with other City/Park Facilities.

- **MP Storage/ General Storage/Janitor/IT Closet/Mechanical Spaces** Exposed hard troweled sealed concrete floors and rubber base. The Storage closets should include high impact gypsum board. Janitorial spaces should include FRP up to 8' high. IT Closets should be assumed to have fire treated plywood on all walls to a two-hour rating.

Interior partitions will be acoustical (insulated) 4" metal stud walls, extending from the floor to the roof structure with painted gypsum wallboard finishes. Doors and sidelights will all be constructed of an aluminum storefront system. Fully glazed doors will be aluminum storefront system with motorized shades at all adjacent sidelight. Doors at the Multi-Purpose Community Room will incorporate insulated glass for additional acoustic performance. Service entry doors and storage areas will have hollow metal frames and doors. Specialty Nana, 10' high folding glass, walls will be included in the Multi-Purpose Community Room (1 total) and Youth Activity and Arts Lounge (1 total).

Wayfinding and large scaled graphic surfaces are envisioned in public zones to provide clear identity and introduction to the program spaces to create a sense of place and connection to the community. Writeable wall surface in the Offices, Staff Breakroom, and Youth Activity and Arts Lounge.

The Multi-Purpose Community Room will feature high impact gypsum board on the lower 4-feet of the wall and PET wall panels similar to Polysorb on all solid walls to serve as acoustic absorption. The Community Room will also feature (1) high performing acoustic, Modern-Fold motorized, operable partition (52 STC) to divide the room into two rooms. All windows will be adorned with both blackout and solar shade roller shades which are motorized and zoned for the two rooms separately. Casework in this space will be white oak with a solid surface countertop. Motorized recessed projection screens surfaces will be provided in the Multi-Purpose Community Room (2 total). Enhanced audio /visual requirements include projectors, screens, microphones, speakers and sound systems zoned for use in single and double room configurations. Touch pad controllers are to be utilized for functionality of all AV systems. lighting and window shades.

The Multi-Purpose Activity Room and Cardio/Weight Room shall have continuous 8-foot-tall mirrors on 2 walls with double-height ballet bars on mirrored walls in the MP Activity Room. Wall mounted TV monitors should be assumed in the Cardio Weight Room (5 total).

Casework will consist of wood veneer cabinets with solid surface counters in high-use areas and plastic laminate counters in Meeting/Break Room. Exceptions include the kitchen where all counters will be stainless steel. Cabinets and day use lockers in the Multi-Purpose Activity Rooms will be wood casework and phenolic lockers. All casework and lockers are to be on a 4-inch rubber base.

A concrete pad and conduit shall be provided for a future generator and ATS. The community center electrical room shall have space identified for future ITS with conduit from generator location.

In addition to AV needs mentioned above, the occupied spaces of the community center shall be served by a PA system. The multipurpose room, Youth room, Activity Room, and Cardio/Weight room shall be served by AV systems consistent with the use and needs of those spaces. The Reception area and Cardio/Weight room shall include digital information.

Window coverings shall be motorized black out shades.

Acoustic Finishes

The type and location of acoustic products will be a key consideration for optimizing occupant comfort in the various spaces. The architect and acoustician need to coordinate and work towards solutions that are aesthetically attractive, durable, and meet budget. Throughout the facility, 1" thick PET wall panels similar to Polysorb should be assumed for the upper wall area equal to 40% of the total wall surface available.

Guardrails & Stairs

All guardrails and stairs are to be designed for durability with the level of finish design and detailing commensurate to like civic buildings. Appropriate materials for the stair assembly would include steel, concrete and glass.

Elevator

The elevator needs to be sized to accommodate cardio and weight equipment installation, removal and servicing. As the primary means of accessing large equipment and stretchers it is assumed that a 4500 lbs elevator will be required. A machine room-less elevator is preferred but if the elevator does require a machine room is not to be located on the second level. A front and back door configuration will provide after hour access to the Kraken while securing the Kirkland Community Center. Elevator finishes to include stainless steel front and door with textured stainless steel interior walls and carpeted floor.

Appliances

Owner furnished and installed refrigerator in Meeting/Breakroom and Warming Kitchen. Coordinate make and model with casework design.

Utilities

Separate Meters for Water, Electricity, HVAC fed from sub-panels.
Separate Commercial Internet Services

Low Voltage and Data (per City of Kirkland Standards)

The City uses Genetec SecurityDesk for Secure Access. The secure access system, and security camera system, shall be compatible with the City's current system for consistent badging and monitoring throughout the City's buildings.

While City Fiber is not available in the area, the Kirkland Community Center should be forward compatible with a conversion to City Fiber in the future. This includes a dedicated 25TA vault in the ROW with 2, 4" Schedule 80 PVC conduits, with pull string, from the vault to the Community Center's IDF. Location of the 25TS should be confirmed with the City. In the interim, the necessary infrastructure for commercial internet service shall be put in place.

The IT room shall appropriately fit a 42U – 2 post rack, 24 port single mode fiber panel (LC connectors), mounted at the top of rack 2x48 Port CAT6 Patch panels (rack location TBD), UPS (Battery Backup), Power Supply (outlets) must be mounted above racks. Secure Access equipment shall be installed in the IDF.

The Kirkland Community Center requires 2x CAT6A cables, to each workstation location, terminated in the IDF, 1x CAT6A cable, routed in the lid to each of the determined WAP locations, 1x CAT6A cable to each Camera Location. Additional cabling required for monitor locations, TVs, Access control.

Kirkland IT to work with Kraken's designer to determine the appropriate number and location of WAPs.

Lighting Controls. Second floor space shall have access to lighting controls and lighting control programming. Work with Kirkland in the specification of that system.

Sustainability Goals

Materials & Resources

- Sustainably harvested wood: Use FSC-certified or equivalent sustainably sourced wood for all millwork, doors, and finishes.
- Low-emitting materials: Specify adhesives, sealants, paints, coatings, flooring, and furniture that meet LEED, WELL, or CDPH emissions standards.
- Recycled content: Incorporate products with high recycled or rapidly renewable content where feasible.
- Local sourcing: Prioritize regionally manufactured or harvested products to reduce embodied carbon from transport.
- Durability & adaptability: Select finishes and systems designed for long life and easy reconfiguration, minimizing future waste.

HVAC & Indoor Environmental Quality

- Air quality protection: Implement a Construction Indoor Air Quality (IAQ) Management Plan to protect workers and future occupants.
- Ventilation & filtration: Ensure systems meet ASHRAE 62.1 or higher, with MERV 13+ filtration where possible.
- Negative pressure ventilation for restrooms, Cardio/Weight room, and Activity Room.
- Daylighting & glare control: Maximize natural light while using shading or materials that reduce glare and solar gain.
- Acoustic comfort: Specify materials that contribute to reduced noise and improved occupant comfort.
- Summer and Winter Temperatures should be within current comfort standards.
- IDF and Electrical Room should have humidity control
- HVAC controls shall be compatible with Delta Controls.

Energy & Water Efficiency

- LED lighting & controls: Use high-efficiency fixtures with occupancy sensors and daylight dimming.
- HVAC efficiency: Upgrade or recalibrate systems for right-sized performance; consider demand-controlled ventilation.
- Water efficiency: Install low-flow fixtures (faucets, toilets, showers) and water-conserving appliances.

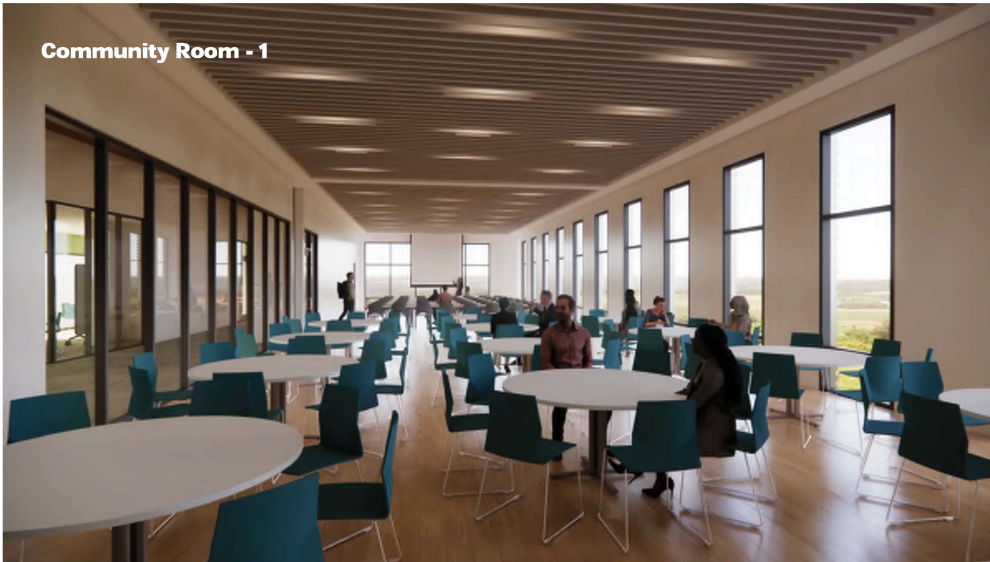
Carbon & Waste Reduction

- Embodied carbon: Select low-carbon materials (concrete mixes with SCMs, low-carbon insulation, etc.) and track with EC3 or similar tools.
- Construction waste diversion: Target at least 75% diversion of construction and demolition debris through recycling/reuse.

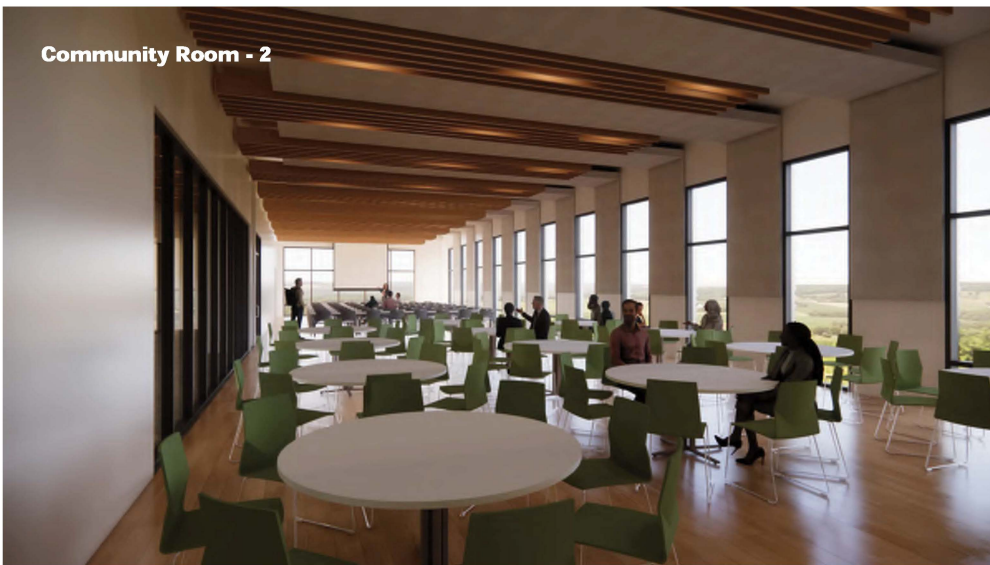
Wellness & Community Impact

- Healthy materials: Avoid substances on the Red List (e.g., PVC, added formaldehyde, PFAS).
- Biophilic design: Integrate natural materials, textures, and greenery to improve wellbeing.
- Equity in design: Ensure universal access, inclusive restrooms, and spaces that support diverse user needs.

Community Room - 1

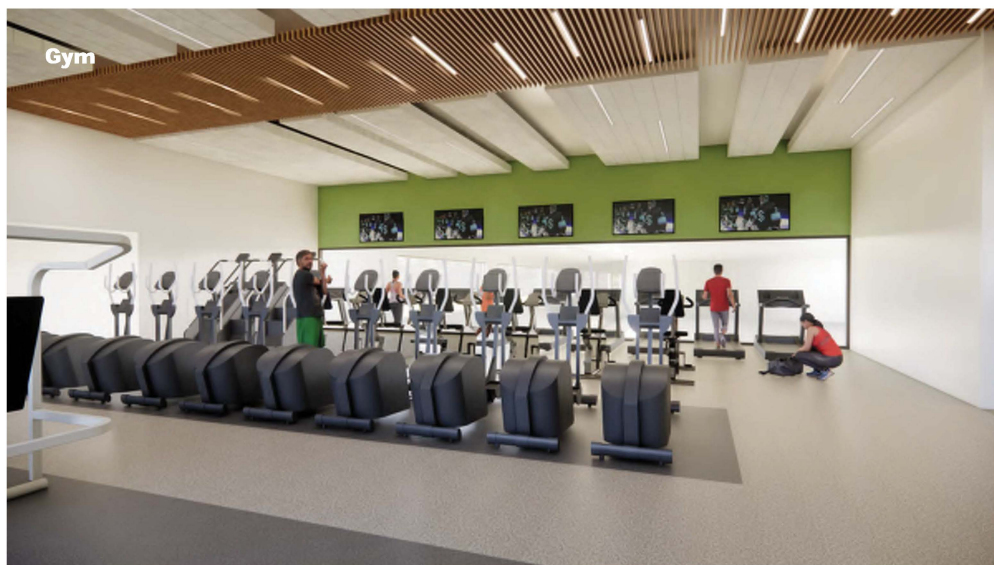


Community Room - 2



Community Room - 3







Youth Lounge - 3



Exhibit I

FORM OF MEMORANDUM OF GROUND LEASE

RECORDED AT THE REQUEST OF
AND AFTER RECORDING RETURN TO:

Attention: _____

MEMORANDUM OF GROUND LEASE

Grantor: City of Kirkland

Grantee:

Abbrev. Legal Description: _____
Complete legal description on Exhibit A.

Assessor's Tax Parcel ID#: _____

THIS MEMORANDUM OF GROUND LEASE (this "**Memorandum**") is by and between City of Kirkland ("**Lessor**"), and _____ LLC, a _____ limited liability company ("**Developer**").

R E C I T A L S:

A. Lessor and Developer have entered into that certain Ground Lease (the "Ground Lease") dated as of _____, 20__, which relates to that certain real property (the "**Premises**") located in _____, which is more particularly described in Exhibit A attached hereto and incorporated herein by this reference, on the terms and conditions and for the consideration set forth in the Ground Lease.

B. The terms and conditions of the Ground Lease are incorporated herein by reference. All capitalized terms not otherwise defined herein shall have the meanings assigned thereto in the Ground Lease.

NOW, THEREFORE, in consideration of the facts set forth above, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Developer hereby agree as follows:

1. Demise of Premises. Lessor leases the Premises to Developer, and Developer leases the Premises from Lessor, subject to the terms and conditions set forth in the Lease. The Lease Commencement Date is _____, 20__, and the Ground Lease will expire if not terminated earlier according to its terms on _____, 20__.

2. Extension Option. Lessor has granted to Developer only the following options to extend the term of the Ground Lease:

3. Release of this Memorandum at Lease Termination. At the expiration or earlier termination of the Ground Lease, Developer shall execute, acknowledge and deliver to Lessor, within ten (10) days after written demand from Lessor to Developer, any termination agreement cancellation and surrender agreement, affidavit, petition, or other document required by any reputable title company, licensed to operate in the State of Washington, to remove any cloud or encumbrance on the Premises created by the Ground Lease and/or resulting from the recordation of this Memorandum. Developer (which includes each successor and assign of Developer) irrevocably appoints Lessor as attorney-in-fact of Developer (which includes each successor and assign of Developer), with full powers, at Developer's cost and expense, to perform the obligations of Developer under this paragraph upon the expiration of the ten (10) day period described in this Section 3.

4. Incorporation by Reference; No Modification of Ground Lease. The terms and conditions of the Ground Lease are incorporated herein by this reference. This Memorandum is prepared and recorded for the purpose of putting the public on notice of the Ground Lease, and this Memorandum in no way modifies the terms and conditions of Ground Lease. In the event of any inconsistency between the terms and conditions of this Memorandum and the terms and conditions of the Ground Lease, the terms and conditions of the Ground Lease shall control.

5. Counterparts; Completion of Blanks. This Memorandum may be executed in counterparts with the same effect as if both parties hereto had executed the same document. Both counterparts shall be construed together and shall constitute a single memorandum of ground lease. Lessor and Developer agree that the person or company recording or arranging for the recordation of this Memorandum is authorized to complete any blanks contained in this Memorandum (including exhibits) with the applicable number of pages, dates and recordation information, whether before or after this Memorandum has been notarized by a notary public, and in no event shall completion of any such blanks be deemed an alteration of this Memorandum by means of the insertion of new content.

[signatures appear on following page]

Lessor and Developer have caused this Memorandum to be executed and dated as of the date of its recordation in the applicable recording office.

LESSOR:

City of Kirkland

By:_____

Name:_____

Its:_____

LESSEE:

By:_____

Name:_____

Its:_____

STATE OF WASHINGTON

ss.

COUNTY OF KING

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the _____ of _____, to be its free and voluntary act for the uses and purposes mentioned in the instrument.

Dated this ____ day of _____, 20__.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

My appointment expires _____

STATE OF WASHINGTON

ss.

COUNTY OF _____

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the _____ of _____ LLC, a _____ limited liability company, to be its free and voluntary act for the uses and purposes mentioned in the instrument.

Dated this ____ day of _____, ____.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington, residing at ____

My appointment expires _____

EXHIBIT A
TO
MEMORANDUM GROUND LEASE

Legal Description

Exhibit J

General Assignment

FORM OF GENERAL ASSIGNMENT

THIS GENERAL ASSIGNMENT (the “**Assignment**”) is made as of _____, 20__, between the City of Kirkland (“**Assignor**”), and _____ LLC, a _____ limited liability company (“**Assignee**”).

Assignor and Assignee are the parties to that certain Agreement to Lease dated as of _____, 20__ (the “**Agreement to Lease**”). Capitalized terms used herein and not defined shall have the meanings given them in the Agreement to Lease.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. Assignor assigns and transfers to Assignee all of Assignor’s right, title and interest in and to the Other Assets, and Assignee assumes all of Assignor’s obligations under and relating to the Other Assets.

2. Assignor agrees to indemnify, defend and hold Assignee harmless from and against any and all losses, costs, claims, damages, liabilities and expenses, including, without limitation, reasonable attorneys’ fees and expenses, arising out of or relating to any breach of Assignor’s obligations under or relating to the Other Assets or Residential Licenses prior to the date of this Assignment.

3. Assignee agrees to indemnify, defend and hold Assignor harmless from and against any and all losses, costs, claims, damages, liabilities and expenses, including, without limitation, reasonable attorneys’ fees and expenses, arising out of or relating to any breach of Assignee’s obligations under or relating to the Other Assets from and after the date of this Assignment.

4. In the event of any legal or equitable proceeding to enforce any of the terms or conditions of this Assignment, or any alleged disputes, breaches, defaults or misrepresentations in connection with any provision of this Assignment, the prevailing party in such proceeding shall be entitled to recover its reasonable costs and expenses, including, without limitation, reasonable attorneys’ fees and costs of defense paid or incurred in good faith.

5. This Assignment shall inure to the benefit of and be binding upon the parties hereto and their respective permitted successors and assigns.

6. If any provision of this Assignment as applied to either party or to any circumstance shall be adjudged by a court of competent jurisdiction to be void or unenforceable for any reason, the same shall in no way affect (to the maximum extent permissible by law) any other provision of this Assignment, the application of any such provision under circumstances different from those adjudicated by the court, or the validity or enforceability of this Assignment as a whole.

7. This Assignment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signature pages may be detached from the counterparts and attached to a single copy of this Assignment to physically form one document.

IN WITNESS WHEREOF, the parties hereto have duly executed this Assignment as of the day and year first above written.

OWNER:

City of Kirkland

By: _____

Name: _____

Its: _____

LESSEE:

_____ LLC, a _____ limited liability
company

By: _____

Name: _____

Title: _____

Exhibit K

Form of Guaranty

[Attached – awaiting final approval]

DRAFT LEASE GUARANTY

[APPLICABLE FOR GROUND LEASE OR FACILITY OPERATIONS AND LEASE AGREEMENT]

This Lease Guaranty (this “**Guaranty**”), dated as of _____, 202__ (the “**Effective Date**”), is entered into by Seattle Hockey Partners LLC, a Delaware limited liability company (“**SHP**”), and Slapshot LLC, a Delaware limited liability company (“**Slapshot**” together with SHP, the “**Guarantor**”), for the benefit of the City of Kirkland, a municipal corporation (“**Landlord**”).

WHEREAS, Landlord, as landlord, has entered into that certain [[Ground Lease] [Facility Operations and Lease Agreement]], dated of even date herewith (the “**Lease**”), by and between Landlord and [TENANT NAME], a Delaware limited liability company, as tenant (“**Tenant**”), with respect to [a portion of] the building [to be developed by Tenant] [located] at [STREET ADDRESS, Kirkland, Washington], commonly known as [NAME], which [portion of such] building is more particularly described in the Lease (the “**Premises**”);

WHEREAS, Landlord is unwilling to enter into the Lease unless Guarantor absolutely and unconditionally guarantees to Landlord the prompt and unconditional payment and performance of the Guaranteed Obligations (defined in Section 1 below), and Guarantor is executing this Guaranty as an inducement to Landlord to enter into the Lease; and

WHEREAS, SHP, which owns and operates the Seattle Kraken National Hockey League team, acknowledges that it will receive substantial benefits from Landlord and Tenant entering into the Lease; and

WHEREAS, Slapshot, which owns 100% of the membership interests of SHP, acknowledges that it will receive substantial benefits from Landlord and Tenant entering into the Lease.

NOW, THEREFORE, in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor, intending to be legally bound, hereby agrees as follows:

1. Guaranteed Obligations. Subject to Section 7(h) below, Guarantor unconditionally guarantees to Landlord the punctual payment, performance, and observance of the following: (a) all monetary obligations of Tenant under the Lease (including the payment of all rent, additional rent, and any other payments due and payable by Tenant under the Lease); and (b) all non-monetary obligations, covenants, conditions, and agreements required to be observed and performed by Tenant pursuant to the Lease (collectively, the “**Guaranteed Obligations**”).

2. Unconditional Guaranty.

(a) Subject to Section 7(h) below, the Guaranteed Obligations are unconditional and this Guaranty will remain in full force and effect without regard to any circumstances or conditions, including: (i) any defense or set-off, counterclaim, recoupment, or termination whatsoever due to the invalidity, illegality, or unenforceability of the Lease or otherwise or Landlord’s failure to assert any claim or demand, or to enforce the Lease or any right or remedy available to Landlord under the Lease, against Tenant under the Lease or any other agreement; (ii) any extension or renewal of the Lease or any other agreement; (iii) any rescission, waiver, amendment, or modification of the Lease; provided that Landlord has first given Guarantor advance written notice of any amendment or modification to the Lease and Guarantor has consented to such amendment or modification to the extent it increases the Guaranteed Obligations; (iv) the release of any security held by Landlord under the Lease; (v) any transfer by Landlord or, subject to Section 7(i) below, Tenant of the Lease or any interest in the Premises, including, without

limitation, any assignment of the Lease by Tenant or any sublease of all, or a portion of, the Premises; (vi) any bankruptcy or similar proceeding involving Landlord or Tenant; or (vii) Landlord's failure to exercise any right or remedy against any other guarantor of the Lease.

(b) This Guaranty constitutes a guaranty of payment and performance when due and not just of collection.

(c) Guarantor agrees that in the event of insolvency, bankruptcy, or reorganization of Tenant, any liquidation, dissolution, winding-up or cancellation of the legal status of Tenant, any composition or arrangement by Tenant with its creditors, and irrespective of any rejection, assignment or termination of the Lease or any of the terms and conditions thereof by Tenant or any trustee of Tenant in connection with any petition for bankruptcy or reorganization filed by Tenant under the Bankruptcy Code or any other applicable federal or state law, the undersigned shall, nonetheless, remain liable hereunder for the full and complete performance of the terms and conditions of the Lease to be complied with or performed by Tenant during the entire term of the Lease designated in the Lease.

3. Team Equity Valuation. Until the Termination Date, Guarantor covenants and agrees as follows:

(a) Prior to December 31st of each year, Guarantor shall deliver to a third-party advisor (the "**Advisor**") engaged by Landlord that has executed a confidentiality agreement with Guarantor a certificate of an executive officer of Guarantor (the "**Officer's Certificate**") that certifies the following as of the date of the Officer's Certificate:

(i) The fair market enterprise value of SHP set forth in the most recent valuation report of all NHL teams prepared by Forbes Magazine, Sportico Magazine or another nationally recognized publication (a copy of which report will be provided with the Officer's Certificate) (provided that Guarantor shall consistently use the same third party valuation source from year to year to the extent possible); provided, that if no such publication publishes an annual valuation report of all NHL teams by December 31st of such year, then, Guarantor shall (x) retain, at its sole cost and expense, an independent appraiser in order to determine the fair market enterprise value of SHP and (y) cause such appraiser to issue its report of the fair market enterprise value of SHP within ninety (90) days of the date on which the appraiser was selected, together with all supporting calculations and details regarding valuation methodologies and comparable transactions utilized by such appraiser in determining the fair market enterprise value of SHP; provided further, that if an arms' length acquisition by an independent third party of equity interests in Slapshot was consummated, or an appraisal of Slapshot was already conducted by an independent appraiser engaged by Slapshot or its affiliate, no more than 180 days prior to the date of the Officer's Certificate, the Officer's Certificate shall, in lieu of the fair market enterprise value of SHP based on such applicable publication or new appraiser's report, certify the fair market equity value of Slapshot that is imputed from such acquisition or previous appraisal (and, if applicable, include the report issued by such appraiser and all supporting calculations and details regarding valuation methodologies and comparable transactions utilized by such appraiser in such appraisal), without, in each case, including any minority discount that may have been applied in such acquisition or appraisal (a "**Third-Party Valuation**");

(ii) To the extent applicable under Section 3(a)(i), that the fair market enterprise value of SHP as reasonably determined by Guarantor is not less than the fair market enterprise value of SHP set forth in the most recent valuation report of all NHL teams prepared by Forbes Magazine, Sportico Magazine or another nationally recognized publication, or to the extent the fair market enterprise value of SHP as reasonably determined by Guarantor is less than the fair market enterprise value of SHP set forth in the most recent valuation report of all

NHL teams prepared by Forbes Magazine, Sportico Magazine or another nationally recognized publication, the basis for such determination;

(iii) The outstanding aggregate principal amount of SHP's and Slapshot's indebtedness for borrowed money as of the date of the Officer's Certificate (accompanied by the most recent balance sheet of SHP and Slapshot provided to the NHL, Slapshot's investors or any lender to SHP or Slapshot, which if not audited shall be accompanied by a certification from SHP's or Slapshot's third-party accountants that such outstanding aggregate principal amount of SHP's and Slapshot's indebtedness for borrowed money is true and correct in all material respects);

(iv) The aggregate remaining known monetary Guaranteed Obligations under the Lease as of the date of the Officer's Certificate (including the material reasonable assumptions upon which such amount is based);

(v) Any impairment of assets as identified in an audit of SHP or Slapshot occurring no more than 180 days prior to the date of the Officer's Certificate;

(vi) The calculation, as of the date of the Officer's Certificate, of the (x) fair market equity value of SHP (which shall be equal to either (i)(a) the fair market enterprise value of SHP as set forth in Section 3(a)(i) above minus (b) the outstanding aggregate principal amount of SHP's indebtedness for borrowed money as set forth in Section 3(a)(iii) above) or (ii) the Third-Party Valuation, as applicable, less (y) the aggregate remaining known monetary Guaranteed Obligations under the Lease as set forth in Section 3(a)(iv) above (the "**Financial Calculation**"); and

(vii) That the outstanding aggregate principal amount of SHP's and Slapshot's indebtedness for borrowed money as set forth in the Officer's Certificate pursuant to Section 3(a)(iii) above complies with the limitations on indebtedness under NHL rules.

(b) The confidentiality agreement executed by the Advisor shall permit the Advisor to disclose to Landlord whether the Financial Calculation set forth in the Officer's Certificate is (i) in the opinion of Advisor, accurate, and (ii) less than zero (without disclosing to Landlord any of the information set forth in any appraiser's report, the Officer's Certificate or the Third-Party Valuation, in each case if applicable, except to the extent such information is publicly available).

(c) If the Financial Calculation set forth in the Officer's Certificate is less than zero, then Guarantor shall, within ten (10) business days after delivery of the Officer's Certificate, deposit into a segregated account established by Landlord at a bank chosen by Landlord an amount of cash and/or a letter of credit in an aggregate amount equal to two (2) years of rent and additional rent payable under the Lease (and Landlord shall be permitted to use funds in such account to satisfy any monetary Guaranteed Obligations of Tenant under the Lease if not paid when due thereunder).

4. Joint and Several Liability; Subordination.

(a) If Guarantor consists of more than one person or entity, then references to "Guarantor" in this Guaranty shall refer to all such persons, and each such person shall be liable for each guaranty, covenant, agreement or obligation in this Guaranty, jointly and severally with each other person constituting Guarantor.

(b) Until the Termination Date, Guarantor waives and agrees not to enforce any claim, right or remedy which Guarantor may now have or hereafter acquires against Tenant that arises hereunder and/or from the payment or performance by Guarantor of the Guaranteed Obligations, whether or not any such claim, right or remedy arises in equity, under contract, by statute or otherwise, including: (i) any right of Guarantor to be subrogated in whole or in part to any claim, right or remedy of Landlord; or (ii) any claim, right or remedy of reimbursement, exoneration, contribution or indemnification from the Tenant or participation in any claim, right or remedy of Landlord against the Tenant, any security which Landlord now has or hereafter acquires. Guarantor acknowledges that it will receive direct and indirect benefits from the lease arrangements contemplated by the Lease and that the waivers set forth in this section are knowingly made in contemplation of such benefits.

5. Further Assurances and Severability.

(a) Guarantor will execute, acknowledge, and deliver, at its own expense, all instruments and take all action as Landlord from time to time may reasonably request for ensuring Landlord the full benefits of this Guaranty.

(b) If any provision of this Guaranty is to any extent determined by a final decision of a court of competent jurisdiction to be unenforceable, the remainder of this Guaranty will not be affected thereby, and each provision of this Guaranty will be valid and enforceable to the fullest extent permitted by law. Landlord's delay in exercising, or the failure to exercise, any right under this Guaranty will not waive such right or any other right of Landlord. All remedies of Landlord by reason of this Guaranty are separate and cumulative, and no single remedy, whether or not exercised by Landlord, will exclude any other remedy of Landlord or limit or prejudice any other legal or equitable remedy which Landlord may have.

6. Notices. All notices, requests, consents, claims, demands, waivers, and other communications required or permitted hereunder (each, a "**Notice**") shall be in writing and delivered to the parties at the addresses set forth below in this Section 6 (or to such other address that may be designated by the receiving party from time to time in accordance with this Section 6) by one of the following methods: (a) hand delivery, whereby delivery is deemed to have occurred at the time of delivery; (b) a nationally recognized overnight courier company, whereby delivery is deemed to have occurred the business day following deposit with the courier; (c) registered United States mail, signature required and postage-prepaid, whereby delivery is deemed to have occurred on the third business day following deposit with the United States Postal Service; or (d) electronic transmission (email) provided that the transmission is completed no later than 4 p.m. Pacific Standard Time on a business day and the original is also sent via overnight courier or United States mail, whereby delivery is deemed to have occurred at the end of the business day on which electronic transmission is completed. Any party may change its address for purposes of this Section 6 by giving written notice as provided in this Section 6. All notices and demands delivered by a party's attorney on a party's behalf shall be deemed to have been delivered by said party. Notices shall be valid only if served in the manner provided in this Section 6.

The addresses for notice are:

If to the City:

City of Kirkland
123 5th Avenue
Kirkland, WA 98034
Attention: Kurt Triplett
Phone: 425-486-3001
Email: CityManagersOffice@kirklandwa.gov
And also email: CityAttorneyOffice@kirklandwa.gov

If to Guarantor:

Seattle Hockey Partners LLC and Slapshot LLC
10601 5th Ave. NE, Suite 100
Seattle, WA 98125
Attention: Lance Lopes
Phone: 425-830-1792
Email: llopes@seattlekraken.com

7. Miscellaneous.

(a) All reasonable costs incurred by Landlord in collecting any amounts and damages owing by Guarantor pursuant to the provisions of this Guaranty or to enforce any provision of this Guaranty, including reasonable attorneys' fees from the date any such matter is turned over to an attorney, whether or not one or more actions are commenced by Landlord, will also be recoverable by Landlord from Guarantor; provided, however, if either party named herein brings an action to enforce the terms hereof or declare rights hereunder, the substantially prevailing party in any such action, on trial or appeal, shall be entitled to its reasonable attorney's fees to be paid by the substantially losing party as fixed by the court. This Guaranty may not be changed or terminated orally or in any manner other than by a written agreement signed by Guarantor and Landlord.

(b) Each reference herein to Landlord shall be deemed to include its heirs, successors, and assigns, in whose favor the provisions of this Guaranty shall also inure. Each reference herein to Guarantor shall be deemed to include its heirs, successors, and assigns, all of whom shall be bound by the provisions of this Guaranty; provided that this Guaranty shall be assigned by (i) the applicable Guarantor to any third party that purchases substantially all or substantially all of the assets or equity of SHP and (ii) unless this Guaranty is terminated in accordance with Section 7(i) below, the Guarantor to a creditworthy entity affiliated with any third party to whom the Lease is assigned by Tenant in accordance with the terms thereof.

(c) Guarantor has the requisite power and authority to enter into, execute, deliver and carry out this Guaranty and to perform its obligations hereunder and all such actions have been duly authorized by all necessary proceedings. This Guaranty has been duly executed and delivered and constitutes the valid and legally binding obligation of the Guarantor, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a

proceeding in equity or at law. The execution, delivery and performance of this Guaranty by the Guarantor will not violate the organizational documents of Guarantor or any material agreement or instrument to which Guarantor is a party or by which it is bound or any applicable governmental law, rule or regulation.

(d) GUARANTOR, TO THE FULLEST EXTENT NOW OR HEREAFTER PERMITTED BY LAW, HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, WITH AND UPON THE ADVICE OF COMPETENT COUNSEL, WAIVES, RELINQUISHES AND FOREVER FORGOES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATING TO THIS GUARANTY OR ANY CONDUCT, ACT OR OMISSION OF GUARANTOR, OR ANY DIRECTORS, OFFICERS, PARTNERS, MEMBERS, EMPLOYEES, AGENTS OR ATTORNEYS OF GUARANTOR, OR ANY OTHER PERSONS AFFILIATED WITH GUARANTOR, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, IN CONNECTION WITH THIS GUARANTY.

(e) This Guaranty shall be governed by, and construed in accordance with, the laws of the State of Washington.

(f) The Section headings appearing herein are for purposes of convenience only and are not deemed to be part of this Guaranty.

(g) If there is more than one Guarantor, this Guaranty may be executed in separate counterparts, each of which, when so executed and delivered, shall be an original for all purposes, but all such counterparts shall together constitute one and the same instrument.

(h) Moreover, notwithstanding anything to the contrary contained in this Guaranty, Guarantor shall not be liable under this Guaranty unless (i) Tenant has failed to perform its Guaranteed Obligations under the Lease, (ii) promptly upon obtaining knowledge thereof, Landlord has provided written notice to Guarantor of such failure and an opportunity for Guarantor to cure such failure within the cure period provided for in the Lease, and (iii) such failure has continued past the expiration of any applicable notice and cure period provided for in the Lease.

(i) Notwithstanding anything to the contrary contained herein, this Guaranty shall automatically terminate upon the earlier of (i) the termination or expiration of the Lease and all Guaranteed Obligations having been paid in full (other than contingent obligations for indemnification or expense reimbursement as to which no claim has been made) and (ii) Tenant assigning the Lease to a creditworthy entity in accordance with the Lease and an approved party, as determined in accordance with the Lease, entering into a replacement guaranty (the “**Termination Date**”).

(j) Guarantor acknowledges that Landlord may, in its sole discretion, elect to enforce this Guaranty for the total Guaranteed Obligations or any part thereof against Guarantor without any duty or responsibility to pursue any other person or entity and that such an election by Landlord will not be a defense to any action Landlord may elect to take against Guarantor.

(k) Guarantor waives any and all notice (other than as specifically set forth herein) with respect to: (i) acceptance by Landlord of this Guaranty or the Lease; and (ii) the provisions of the Lease or any other instrument or agreement relating to the Guaranteed Obligations; and (iii) any default in connection with the Guaranteed Obligations.

(l) Guarantor waives any presentment, demand, notice of dishonor or nonpayment, protest and notice of protest in connection with the Guaranteed Obligations except as specifically set forth herein or in the Lease.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Guarantor has executed this Guaranty as of the Effective Date.

GUARANTOR:

SHP:

SEATTLE HOCKEY PARTNERS LLC, a
Delaware limited liability company

By: _____

Name: _____

Title: _____

SLAPSHOT:

Slapshot LLC, a Delaware limited liability
company

By: _____

Name: _____

Title: _____

Exhibit L

Development Standards

[Attached – awaiting final approval]

Kraken Iceplex, Restaurant, and Community Center Development Standards

1) Density/Dimensions

Density/Dimensions Table

Use	Minimum Lot Size	REQUIRED YARDS (see Ch. 115 KZC)			Maximum Lot Coverage	Maximum Height of Structure ABE = Average Building Elevation
		Front	Side	Rear		
Entertainment, Cultural, Community Center, and/or Recreational Facility	None	0'	0'	0'	100%	45' above ABE.

- 2) **Pick-Up / Drop-Off Areas.** Subject to final City approval as to design and location, Developer must provide an on-site passenger loading area. The Parties will work together to ensure final design for the pick-up and drop-off spaces meets transportation engineering standards prior to construction.

3) Required Blank Wall Treatment for West Façade.

The provisions of KZC 95.15 relating to blank walls and blank wall treatments apply to the project. In the alternative to the blank wall treatments required by KZC 92.15(3), developer and the City may agree that City will have the right to utilize a portion of the west-facing building façade for a public art installation.

4) Signage

- a. For wall-mounted, marquee, or under-marquee signs identifying the building tenant, the height of wall-mounted or marquee signs shall not exceed the height of rooftop features or the height limit for the site. Exterior signage on the Skating Facility may be lighted, up to one (1) exterior sign can display digital and/or motion effects, and all exterior signage on the Skating Facility shall be generally consistent with the locations shown in Exhibit A, with individual sign square footage not exceeding that shown in Exhibit A.
 - b. Up to two monument signs are authorized for the site identifying the main tenants, subject to the standards for monument signs in chapter 100 KZC.
- 5) All lighting and signage should comply with following Glare Regulation (KZC 115.50):
- a. Any artificial surface which produces glare which annoys; injures; endangers the comfort, repose, health or safety of persons; or in any way renders persons insecure in life, or in the use of property, is a violation of this code.
- 6) All lighting shall comply with the following dark sky fixture requirements:
- a. All developments shall meet upright and light trespass requirements for all exterior luminaires located inside the development boundary to support a nighttime habitat friendly environment.
 - b. Lighting controls for all exterior lighting shall comply with Section 9.4.1.3 of ANSI/ASHRAE/IESNA Standard 90.1-2007, without amendments.

- c. Design exterior lighting so that all site and building-mounted luminaires produce a maximum initial illuminance value no greater than 0.20 horizontal and vertical footcandles (2.0 horizontal and vertical lux) at the development boundary and no greater than 0.01 horizontal footcandles (0.1 horizontal lux) 15 feet (4.5 meters) beyond the development boundary. Document that no more than five percent of the total initial designed fixture lumens (sum total of all fixtures on site) are emitted at an angle of 90 degrees or higher from nadir (straight down).
- 7) **Parking.** The northern parking area outside the leased premises will be utilized to provide the primary parking spaces for the facility, and the City will maximize the number of parking spaces on the northern lot. Developer will provide a parking demand memorandum to the planning official for review under KZC 105.25. Except for parking requirements necessary to comply with state law, the number of standard, non-ADA parking spaces that will be required for development of the facility (Community Center, Skating Facility, and Restaurant) will not exceed the spaces available on the northern lot. Except for improvements related to the project that are necessary to comply with state law, including required ADA improvements and EV charging requirements, if any, the City will be restoring the parking area on the northern lot, including striping and signing the necessary ADA spaces.