



SEATTLE CITY COUNCIL

Legislative Summary

CB 118976

Record No.: CB 118976

Type: Ordinance (Ord)

Status: Passed

Version: 1

Ord. no: Ord 125323

In Control: City Clerk

File Created: 05/04/2017

Final Action: 06/08/2017

Title: AN ORDINANCE relating to the Seattle Center Department; authorizing the Seattle Center Director to execute a facility use agreement with Force 10 Hoops, LLC, for use and occupancy of KeyArena and adjacent areas at the Seattle Center; making findings of fact about the value provided by professional women's basketball in Seattle; exempting the agreement from the requirements of Chapter 20.47 of the Seattle Municipal Code; and superseding an earlier agreement authorized by Ordinance 122907.

Date

Notes:

Filed with City Clerk:

Mayor's Signature:

Sponsors: Juarez

Vetoed by Mayor:

Veto Overridden:

Veto Sustained:

Attachments: Att A – Seattle Storm KeyArena Facility Use Agreement, Att B - Seattle Municipal Code Chapter 20.47

Drafter: ned.dunn@seattle.gov

Filing Requirements/Dept Action:

History of Legislative File

Legal Notice Published:

Yes

No

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Mayor	05/05/2017	Mayor's leg transmitted to Council	City Clerk			
	Action Text:		The Council Bill (CB) was Mayor's leg transmitted to Council. to the City Clerk				
	Notes:						
1	City Clerk	05/09/2017	sent for review	Council President's Office			
	Action Text:		The Council Bill (CB) was sent for review. to the Council President's Office				
	Notes:						

- 1 Council President's Office 05/11/2017 sent for review Parks, Seattle Center, Libraries, and Waterfront Committee
Action Text: The Council Bill (CB) was sent for review. to the Parks, Seattle Center, Libraries, and Waterfront Committee
Notes:
- 1 Full Council 05/15/2017 referred Parks, Seattle Center, Libraries, and Waterfront Committee
- 1 Parks, Seattle Center, Libraries, and Waterfront Committee 05/19/2017 pass Pass
Action Text: The Committee recommends that Full Council pass the Council Bill (CB).
Notes:
In Favor: 2 Chair Juarez, Vice Chair Bagshaw
Opposed: 0
- 1 Full Council 05/30/2017 passed Pass
Action Text: The Council Bill (CB) was passed by the following vote, and the President signed the Bill:
Notes:
In Favor: 7 Councilmember Bagshaw, Councilmember Burgess, Council President Harrell, Councilmember Herbold, Councilmember Johnson, Councilmember O'Brien, Councilmember Sawant
Opposed: 0
- 1 City Clerk 05/31/2017 submitted for Mayor's signature Mayor
Action Text: The Council Bill (CB) was submitted for Mayor's signature. to the Mayor
Notes:
- 1 Mayor 06/03/2017 Signed
- 1 Mayor 06/08/2017 returned City Clerk
- 1 City Clerk 06/08/2017 attested by City Clerk
Action Text: The Ordinance (Ord) was attested by City Clerk.
Notes:
-

Text of Legislative File CB 118976

CITY OF SEATTLE

ORDINANCE 125323

COUNCIL BILL 118976

AN ORDINANCE relating to the Seattle Center Department; authorizing the Seattle Center Director to execute a facility use agreement with Force 10 Hoops, LLC, for use and occupancy of KeyArena and adjacent areas at the Seattle Center; making findings of fact about the value provided by professional women’s basketball in Seattle; exempting the agreement from the requirements of Chapter 20.47 of the Seattle Municipal Code; and superseding an earlier agreement authorized by Ordinance 122907.

WHEREAS, in 1999 the Women’s National Basketball Association (WNBA) selected Seattle as the location for one of four expansion teams to begin play in the 2000 season; and

WHEREAS, KeyArena has been the home court of the WNBA team Seattle Storm (“Storm”) since its inaugural season in 2000; and

WHEREAS, the Storm contributes to civic pride and community spirit; and

WHEREAS, in February 2008, Force 10 Hoops, LLC (“F10H”), a locally owned company, purchased the Women’s Basketball Club of Seattle (WBCOS) and the Storm from the owners of the Seattle Supersonics; and

WHEREAS, in February 2008, with the Mayor’s concurrence, the Seattle City Council unanimously adopted Resolution 31039 requesting that the Seattle Center work collaboratively with the new local owners of the Storm to negotiate a long-term lease that would enable the Storm to remain viable playing at KeyArena, while requiring the Storm to provide certain public benefits to the City, the taxpayers, and the residents of Seattle; and

WHEREAS, in February 2009, as authorized by Ordinance 122907, the Seattle Center Director and WBCOS executed a ten-year agreement for use and occupancy of KeyArena for the

1 playing of Storm home games and the provision of certain public benefits to the City and
2 the public; and

3 WHEREAS, the City and F10H mutually desire for KeyArena to continue to be the home court
4 of the Storm in the event KeyArena is redeveloped; and

5 WHEREAS, the City and F10H wish to enter a new agreement to allow the Storm to use and
6 occupy KeyArena for playing its home games, while giving the City additional flexibility
7 to pursue future redevelopment of KeyArena; NOW, THEREFORE,

8 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

9 Section 1. The City finds that women’s professional basketball provides a valuable
10 contribution to the civic pride and social and economic environment of Seattle, that women’s
11 professional basketball teams have a long history in Seattle and attract an ardent group of fans,
12 and that the women’s professional basketball team Seattle Storm (“Storm”) is a valued tenant at
13 KeyArena.

14 Section 2. The City finds that an agreement that allows for continued sustainable local
15 ownership of the Storm provides a significant benefit to the City because it ensures that
16 KeyArena continues to be a venue for the playing and viewing of professional women’s
17 basketball; enhances the value of the facility to advertisers and sponsors; and supports the vitality
18 of Seattle Center as a place to delight and inspire the human spirit.

19 Section 3. As requested by the Seattle Center Director and recommended by the Mayor,
20 the Seattle Center Director or the Director’s designee is authorized to execute for and on behalf
21 of The City of Seattle a facility use agreement with Force 10 Hoops, LLC, substantially in the
22 form of the agreement attached hereto as Attachment A and identified as “Facility Use

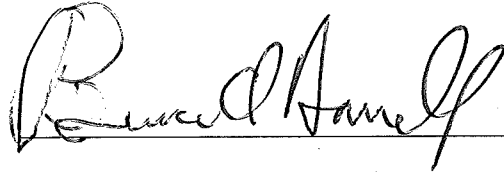
1 Agreement between The City of Seattle and Force 10 Hoops, LLC for the Use of KeyArena for
2 Professional Women’s Basketball” (the “Facility Agreement”).

3 Section 4. The City Council finds that F10H’s obligations under the Facility Agreement
4 provide sufficient and fair value to the City. As a result, the requirements of Seattle Municipal
5 Code Chapter 20.47, as shown in Attachment B to this ordinance, shall not apply to the Facility
6 Agreement authorized by this ordinance.

7 Section 5. Once the Facility Agreement authorized by Section 3 of this ordinance is fully
8 executed and becomes effective, it shall supersede the agreement previously authorized by
9 Ordinance 122907.

1 Section 6. This ordinance shall take effect and be in force 30 days after its approval by
2 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
3 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4 Passed by the City Council the 30th day of MAY, 2017,
5 and signed by me in open session in authentication of its passage this 30th day of
6 MAY, 2017.

7 

8 President _____ of the City Council

9 Approved by me this 3 day of June, 2017.

10 

11 Edward B. Murray, Mayor

12 Filed by me this 8th day of June, 2017.

13 

14 Monica Martinez Simmons, City Clerk

15 (Seal)

16 Attachments:

17 Attachment A - Facility Use Agreement between The City of Seattle and Force 10 Hoops, LLC
18 for the Use of KeyArena for Professional Women's Basketball

19 Attachment B - Seattle Municipal Code Chapter 20.47
20

FACILITY USE AGREEMENT BETWEEN
THE CITY OF SEATTLE
AND
FORCE 10 HOOPS, LLC
FOR THE USE OF KEYARENA
FOR PROFESSIONAL WOMEN'S BASKETBALL

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This Facility Use Agreement (“Agreement”) is made and entered by and between THE CITY OF SEATTLE (“CITY”), a Washington municipal corporation, acting by and through its Seattle Center Director (“Director”), and FORCE 10 HOOPS (“F10H”), a Washington limited liability company. The City and F10H are sometimes referred to individually as a “Party” and collectively as “the Parties”.

RECITALS:

- A. F10H is the owner and operator of the Women’s National Basketball Association team the “Storm”.
- B. The City is the owner and operator of the Seattle Center, which includes a civic arena known as KeyArena.
- C. The Parties wish to enter into an agreement that provides for the continuation of sustainable, local ownership of the Storm and for the maximum use of KeyArena both now and in the future.
- D. The City wishes to ensure that affordable and quality family entertainment events are offered at KeyArena.
- E. The Parties share a mutual interest in women’s professional basketball continuing to thrive in Seattle.
- F. The Parties wish to retain the Storm as one of the long-term, primary occupants of Seattle Center, while providing sufficient flexibility to allow the City to redevelop KeyArena and implement its Century 21 Plan.

IN CONSIDERATION of the mutual promises, covenants, agreements, and performances described herein, and other good and valuable consideration, the Parties hereto agree as follows:

I. DEFINITIONS

All capitalized words in this Agreement, other than proper nouns, section headings or words required to be capitalized for proper usage, are defined terms and shall have the meanings specifically assigned to them in the following subsections and elsewhere in this Agreement. Unless otherwise expressly provided, use of the singular includes the plural and vice versa.

A. Additional Costs

“Additional Costs” is defined in Subsection XXVII.D.

B. Advertising

“Advertising” means any printed, electronic, or verbal announcement or display of any kind intended to sponsor or promote, directly or indirectly, the sale or rental of a service, an admission ticket to an event, an interest in a product, goods, commodity or other form of property, or the expression of any other commercial or noncommercial message other than directional, health or safety messages.

C. Approval

“Approval” means the prior written consent of a Party or a Party’s designated representative.

D. Concession Operations

“Concession Operations” means any and all activity associated with securing, storing, preparing, offering for sale, selling, dispensing or distributing, in any manner, any item of food or beverages in or from any portion of KeyArena.

E. Concessionaire

“Concessionaire” means the third party(ies) that are under contract to provide Concession Operations at KeyArena during the Term of this Agreement.

F. Confirmed Dates

“Confirmed Dates” is defined in Subsection V.C.3.

G. Day of Game

“Day of Game” means the portion of the calendar day on which a Home Game is scheduled to be played in KeyArena, unless otherwise specifically provided in this Agreement.

H. Director

“Director” means the Director of the Seattle Center, or the Director’s designee.

I. Exclusive Use Areas

“Exclusive Use Areas” means the Basketball Home Locker Room, Weight Room, Coaches Offices (3), Medical Room, Main Locker Room, Sauna, Showers, Steam Room, Laundry Room, Storage Room at NW Corner, Storage Closet, the F10H storage cage behind in-Arena merchandise stands, Mascot Storage, Video Room, Media Room (back office portion), as described and depicted on Exhibit 1.

J. First Avenue North Parking Garage

“First Avenue North Parking Garage” means the multi-deck parking facility at Warren Avenue and Thomas Street, a portion of which facility is made available for use and occupancy by F10H as provided in this Agreement.

K. Food and Beverage

“Food and Beverage” means any item of food or drink that is sold, given without charge, or in any other manner dispensed in or from KeyArena, except for water made available from public drinking fountains or sinks.

L. Home Game

“Home Game” means any WNBA professional women’s basketball game, including pre-season, regular season, All-Star and post-season games, for which the Storm is the host team.

M. KeyArena

“KeyArena” means the multi-purpose, public performance facility located at Seattle Center, together with all City-owned equipment and other appurtenances incorporated therein. In the event KeyArena is redeveloped, remodeled or if a new arena is constructed on the Seattle Center campus, all references herein to KeyArena shall be deemed to include the redeveloped, remodeled or newly constructed facility as it may be named from time to time.

N. License Fee

“License Fee” means the fee F10H will pay the City for each Home Game, as further described in Section XI.

O. Lost Revenue

“Lost Revenue” is defined in Subsection XXVII.D.

P. Novelties

“Novelties” means any merchandise, goods, wares, and publications, including merchandise and goods bearing the symbol, mark or name of the WNBA, the Storm or any other WNBA team, but excluding Food.

Q. Premises

“Premises” means those portions of KeyArena licensed and made available to F10H for its use and occupancy under Section VI of this Agreement, and including but not limited to, the lower bowl, Exclusive Use Areas, the Common Areas, and F10H Suites, subject to the exclusions and restrictions set forth in this Agreement.

R. Redevelopment

“Redevelopment” means any substantial re-design, renovation, alteration, new construction or complete replacement of KeyArena, including any associated lease or operations rights granted to a third party.

S. Revenue

“Revenue” means the total amount of income received by F10H from playing Home Games at KeyArena or an alternate venue in the following categories only: Gross Ticket Receipts, F10H’s

share of Concessions Operations revenue (or any share of concessions revenue from an alternate venue), Temporary Advertising at KeyArena (or Advertising at an alternate venue), sale of Novelties at KeyArena or an alternate venue, the F10H Revenue Share under Section X.E, and parking.

T. Scheduling Window

In years when no summer Olympics are played, "Scheduling Window" means the second Saturday in May through the second Friday in October. In years when Summer Olympics are played, the "Scheduling Window" means the first Friday in May through the second Friday in October, with a suspension during the Olympic games.

U. Seats

"Seat(s)" means any seat in KeyArena from which Home Games may be viewed.

V. South KeyArena Parking Lot

"South KeyArena Parking Lot" means the passenger vehicle parking stalls on the south side of KeyArena in the area depicted on the attached Exhibit 1.

W. Storm

"Storm" means the WNBA team owned or operated by F10H.

X. Suite

"Suite" means any area designated as such on Exhibit 1.

Y. Temporary Advertising

"Temporary Advertising" means that Advertising in KeyArena which may only be displayed during Home Games or approved Storm events and removed at other times.

Z. Third Party Management Company

"Third Party Management Company" means one or more companies with which the City may contract to provide certain services such as the sale of Suites, Advertising, event booking, merchandise, concessions or other services or amenities at KeyArena.

AA. Gross Ticket Receipts

"Gross Ticket Receipts" means the total income F10H receives from the sale of tickets for admission to any Home Game played at KeyArena or an alternative venue, whether for cash, barter, exchange or credit or any other method; mail or telephone orders for tickets received or filled on or from the Premises or from an alternative venue; all deposits not refunded to purchasers; and orders for tickets taken although filled elsewhere. "Gross Ticket Receipts" does

not include money refunded to, and not merely credited to the account of customers who return or do not accept services sold by or for F10H; the Washington State Sales Tax; and any other tax imposed by any government agency directly on admission to a Home Game.

BB. F10H Suites

“F10H Suites” means one or two suites in KeyArena made available for F10H’s use as described in Subsection VI.D.

CC. WNBA

“WNBA” means the Women’s National Basketball Association and its successor or successors, the professional women’s basketball league or organization of which the Storm is a member.

II. USE

Subject to the terms and conditions herein, the City hereby grants to F10H the right to occupy and use the Premises for the following purposes: the presentation and broadcasting of all Storm Home Games during each year of the Term of this Agreement; for Storm practice sessions; and for up to five (5) events annually for purposes of fan generation/appreciation or sponsorship and business development, subject to the conditions in Subsection V.I. The City agrees that F10H shall be the sole person or entity entitled to use and occupy the Premises for the presentation of professional women’s basketball games for the duration of this Agreement.

The City also hereby grants F10H the right to occupy and use the Premises to sell Temporary Advertising and Novelties directly, or indirectly through one or more third parties, as further described in Subsections X.D and F.

III. F10H’s OBLIGATION TO USE KEYARENA

Subject to the limitations under this Agreement, including the scheduling process described in Section V, during the Term F10H shall schedule and ensure that the Storm plays one hundred percent (100%) of its Home Games in KeyArena; provided, in the case of Redevelopment of KeyArena or in the event the City is unable to guarantee certain dates acceptable to WNBA for post-season Home Games occurring outside of the Scheduling Window, then F10H may, in its sole discretion, contract with alternative venues for such games. Notwithstanding the foregoing, F10H may schedule pre-season Home Games outside the Seattle area.

IV. EFFECTIVE DATE; TERM OF AGREEMENT

This Agreement shall be effective on the date when signed by an authorized representative of each Party following an authorizing ordinance of the Seattle City Council (the “Effective Date”) and shall expire on December 31, 2028 (the “Term”). From and after the Effective Date, this Agreement shall supersede, terminate and replace the prior agreement for use of KeyArena entered into between the Parties on or about February 26, 2009.

V. SCHEDULING OF STORM HOME GAMES AND PRACTICES

A. Scheduling Window and Procedures

The City will not be required to Approve or confirm F10H's schedule requests for any Home Games, including pre-season, regular season and post-season (playoff) games, unless the games occur during the Scheduling Window and the scheduling procedures in this Section V are followed. If the WNBA season moves outside the Scheduling Window at any time during the Term, the parties agree to amend the Scheduling Window to reflect the amended WNBA season, subject to any contractual commitments the City has with third parties or other users of KeyArena. By September 1 of each year during the Term, F10H shall provide the Director the WNBA's regular season date range and, separately, the WNBA's playoff date range for the upcoming season.

B. Storm Priority During Scheduling Window

Subject to the limitations in this Agreement and the scheduling process described in Section V, during the Scheduling Window the Storm will have priority over other users for all regular season Home Games. Additionally, so long as the City complies with the scheduling process requirements in Section V, the City has the right to make KeyArena available to third parties during the Scheduling Window. Nothing restricts the ability of the City to use KeyArena for other purposes on dates not used by the Storm, provided that the City will not permit third party use of any Exclusive Use Areas. Notwithstanding the foregoing, the Storm recognizes that it will not have access to Exclusive Use Areas during times when KeyArena is licensed for use by third parties.

C. Selection of Regular Season Home Game Dates

If the WNBA season moves outside the Scheduling Window at any time during the Term, the parties agree to amend this Subsection as needed to reflect the amended WNBA season, subject to any contractual commitments the City has with other users of KeyArena.

1. By October 1 of the year immediately preceding each WNBA season during the Term, the Director shall provide F10H with a list of a minimum of thirty-eight (38) potential "regular season" Home Game dates occurring during the Scheduling Window and that are within the WNBA's regular season date range provided by F10H under Subsection V.A. The list of regular season Home Game dates shall include a minimum of eighteen (18) weekend dates (Friday through Sunday). Any two consecutive weekday dates (Mondays through Thursdays) offered by the Director shall be considered as only one (1) useable date in meeting the required thirty-eight (38) minimum dates.

2. If the WNBA increases the number of regular season Home Games, then the number of potential available dates shall be increased to 160% of the new total number of regular season Home Games, so long as the increased games fall within the Scheduling Window and F10H notifies the City of the need for additional dates prior to the City making the annual date offer to F10H. If F10H requests additional potential dates after the City makes its annual date offer, the City will use its best efforts to provide additional potential dates in light of City contractual commitments to other users. Additionally, if the WNBA changes its restrictions on consecutive

dates, the Director will modify the annual date offer to comply with restrictions on consecutive dates so long as F10H notifies the Director of the new requirements prior to the annual date offer, subject to existing contractual commitments with other users.

3. Within twenty-four (24) hours of the time F10H receives the final WNBA schedule for the upcoming regular season, F10H shall notify the Director, in writing, of those dates on the Director's list on which F10H wishes to license the KeyArena for the upcoming regular season Home Games. Such dates shall be known as "Confirmed Dates". F10H shall use best efforts to work with the WNBA to finalize the regular season schedule by December 31 prior to the upcoming season.

4. Anytime after October 1, if the City receives a request from a third party to license KeyArena on one or more dates that are being held for F10H but that are not Confirmed Date(s), the City may notify F10H in writing and request that the date(s) be confirmed or released. If F10H does not confirm the date in writing within forty-eight (48) hours, the date shall be released, the City shall have the right to license KeyArena to a third party, and the City shall provide F10H with an alternate date to hold. If F10H confirms that it will license KeyArena, the date shall be a "Confirmed Date" for a regular season Home Game. Effective January 31, any dates which are not converted to Confirmed Dates shall be automatically relinquished.

D. Scheduling of Pre-Season Home Games

At any time, F10H may ask the Director to hold potential dates for pre-season Home Games. The Director shall hold such requested dates for F10H provided that the dates are not already held for or contractually committed to another licensee. At the earliest possible opportunity, but not less than sixty (60) days prior to each potential pre-season Home Game date, F10H shall confirm its intention to use KeyArena for such date(s). Any dates not so confirmed shall be deemed released and available for licensing to third parties. Prior to such confirmation, the Director shall notify F10H of any third-party requests for use of KeyArena for any date being held for a pre-season Home Game. F10H shall have seventy-two (72) hours from the time of the notification to confirm or release the date.

E. Scheduling of Post-Season (Playoff) and Championship Home Game Dates

Immediately after the WNBA finalizes the schedule for play-off or championship Home Games for the upcoming season, F10H shall notify the Director, in writing, of those dates which it wishes to license the KeyArena for a F10H post-season Home Game. Provided such dates are within the Scheduling Window and within the WNBA's play-off date range provided by F10H, and provided that KeyArena has not been contractually committed to a third party, the Director shall schedule and reserve the KeyArena for F10H's use for such designated dates. The City will use best efforts to accommodate playoff game dates that are outside the Scheduling Window, or outside the playoff date range provided by F10H, or which are not confirmed by January 31, subject to the City's existing scheduling commitments and "building holds". At the earliest possible opportunity, F10H shall confirm its intention to use the KeyArena for any designated date(s). Upon confirmation, each such date shall become a Confirmed Date hereunder.

F. All-Star Games

In any year during the Term, if the WNBA would like the Storm to host the annual All-Star Game or similar annual celebration and its related events, then the Director will include these dates, in addition to the potential regular season Home Game dates referenced in Subsection V.C above, for the season in which the WNBA All Star game is to occur in Seattle, provided that the Storm has given the Director written notice prior to the Director making the annual date offer in Subsection V.C above, and provided that these dates are within the Scheduling Window and have not already been contractually committed to a third party. The Storm will notify the Director, in writing, immediately following notice from the WNBA that the Storm has been selected to host the WNBA All-Star Game, but under no circumstances later than one month after the annual date offer for that year.

G. Director's Endorsement

The Director shall prepare and issue a written "use date endorsement notice" to F10H for each Confirmed Date.

H. Use of KeyArena for Storm Practice Sessions

F10H may request the use of some or all of the KeyArena basketball floor for a Storm practice session on days when no Home Game is scheduled provided the request is made no more than forty-five (45) days prior to the date of the proposed practice. Such requests shall be granted if: (i) no other user or event has been scheduled to use the portions of the KeyArena necessary for the practicing of professional basketball on such day; (ii) the City does not need to do maintenance, construction or repair work on the KeyArena that would be interfered with by such use or that would interfere with such use; (iii) the KeyArena does not need to be prepared in any respect on such day for any user or event scheduled for any subsequent day and (iv) the facility is already configured for basketball use. Notwithstanding the foregoing, the City shall have the right to cancel a scheduled practice session with at least ten (10) days notice in order to schedule a revenue-generating activity in the KeyArena. In approving a request for a practice session, the Director may impose reasonable restrictions or conditions on F10H's use and occupancy of the Premises. F10H shall not be required to pay any costs (staffing, utilities, or otherwise) for practicing in the KeyArena so long as the practice session is no longer than four (4) hours.

I. Use of KeyArena for Non-Home Game Events

In addition to use of KeyArena for Home Games, the F10H shall be afforded up to five (5) fan generation/appreciation, or sponsorship and business development events per each Storm Season on days when no Home Game is scheduled, provided the request for use of the Premises is made at least thirty (30) days prior to the date of the proposed event. Regardless of how many days prior to the date the request is made, the decision to grant the use shall be at the Director's discretion, and the City will not be obligated to confirm the event any sooner than forty-five (45) days prior to the event. Each of the events must be for the purpose of increasing fan awareness, generating ticket sales, sponsorship or business development related to the Storm, and at least one of the events must be open to the public free of charge. The Director reserves the right to determine the level of City staffing necessary to accommodate the event. In the event the City staffing costs are

\$2,500 or less, F10H shall be allowed the use at no charge. In the event the City staffing costs exceed \$2,500, F10H shall be responsible for all City staffing costs over \$2,500 associated with the event.

J. Scheduling Conflict During Bumbershoot

Beginning with the 2018 WNBA season and notwithstanding the Scheduling Window, the City reserves the right to use KeyArena, or grant third parties the right to use KeyArena, for the Bumbershoot Festival, which as of the Effective Date is held during Labor Day weekend. F10H will use best efforts to work with the WNBA to minimize the need to schedule Home Games during Bumbershoot, and the City will use best efforts to accommodate scheduling of Home Games when possible. However, each Party recognizes that scheduling conflicts may arise during Bumbershoot weekend such that KeyArena may not be available for a Home Game. If both Parties have otherwise complied with the scheduling requirements in Section V, but the Premises are not available for the playing of any Home Game due to a scheduling conflict with Bumbershoot, the Director will notify F10H as soon as reasonably possible. F10H shall relocate to an alternate venue for that Home Game, and the City shall pay F10H a relocation payment calculated as provided under Section XXVII.

VI. PREMISES, EQUIPMENT AND FIXTURES AVAILABLE FOR USE BY F10H

A. Premises, Equipment and Fixtures Licensed for Use by F10H

1. Exclusive Use Areas

During the Term, F10H will have the exclusive right to use and occupy the Exclusive Use Areas depicted on Exhibit 1. The City will not permit any third party user of KeyArena to access or use the Exclusive Use Areas without the Approval of F10H, which may be granted or withheld in its discretion; however, F10H will not have access to the Exclusive Use Areas during such times as KeyArena is licensed for use by a third party.

2. Premises, Equipment and Fixtures Licensed for Use on Home Game Dates

Subject to the Permitted Hours of Use, Subsection VI.A.3, on each Home Game date, F10H shall have the exclusive right to use and to authorize others to use for the presentation and broadcasting of Home Games, those portions of the KeyArena, including equipment and fixtures, that are reasonably necessary for the playing, broadcast, viewing, and attendance at a professional basketball event. Such portions include the audience seating areas (excluding Suites not provided for use by F10H pursuant to this Agreement), the basketball floor, baskets, timing clocks and scoreboards, the ring signage system, courtside signage leased separately by F10H, control room (LED and M04C and “north bucket”), sound, lighting and public address systems, locker rooms, training room, media room, and family room, and any additional areas listed on Exhibit 1.

On each Home Game date, F10H shall be permitted to use the KeyArena box office spaces. F10H shall not make any alterations to the City’s existing ticketing equipment without the

Director's Approval and any alterations other than routine maintenance and repair made at F10H's request as may be approved by the Director shall be implemented at F10H's sole cost and expense.

3. Permitted Hours of Use

The Premises shall be available to F10H during the following periods:

- a) On any Home Game day on which the KeyArena does not have to be converted to or from a non-basketball use, F10H shall be permitted to use the Premises beginning up to seven (7) hours before the starting time of any day-time Home Game.
- b) On any Home Game day on which the KeyArena must be converted on that same day to a basketball use from a different use, F10H shall be permitted to use the Premises beginning five (5) hours before the starting time of the Home Game scheduled on that day or such earlier time on that same day as the Director shall specify; provided, that for Home Games, Suite holders shall not be admitted to KeyArena until one and one-half (1 ½) hours before the starting time, and the general public shall not be admitted to the KeyArena until one (1) hour before the starting time for such Home Game; and provided, further, that on such days, no practice session shall commence prior to 11:00 a.m.
- c) On any Home Game day on which the KeyArena must be converted on that same day from a basketball use to a different use, F10H shall be permitted to use the Premises until one (1) hour after any scheduled Home Game or practice session, or such later time on that same day as the Director shall specify; provided, that any practice session scheduled for such a day shall conclude by 9:00 p.m.
- d) F10H shall ensure that no Home Game commences before 12:00 p.m. without the prior written approval of the Director. For each season during the Term, one regular season Game and one preseason game, as approved in advance by the Director, may begin prior to 12:00, but no earlier than 11:00 am. For those days only, a practice session may commence at 9:00 am.

B. Limited Use of Common Areas

F10H is hereby granted the right to use the common areas of the KeyArena (including but not limited to all lobby, entry, vestibule, balcony, mezzanine, corridor, concourse, passage, ramp, stair, landing, vomitory, elevator and public restroom areas) in common with authorized third parties to access those areas of the KeyArena that have been specifically licensed for use by it under this Agreement. Neither F10H nor any of its officers, employees, invitees, contractors or any of their subcontractors shall use any portion of Seattle Center not specifically granted to F10H for its use and occupancy hereunder for any purpose without the Director's Approval.

C. Public Address Facilities

For each Storm Home Game the City shall provide F10H with exclusive access to, and control of, the public address facilities in the KeyArena, which right shall not permit F10H to use or allow others to use such public address facilities for any political purpose. Notwithstanding the

foregoing, the City reserves the right to use the public address facilities at all times for general safety, health, and legal announcements including but not limited to those for emergency or crowd control purposes.

D. F10H Suites

1. Center Court Suite

During the Term, F10H shall be entitled to use and enjoy one center court Suite, preferably opposite from the scorer's table, to be identified by the Director prior to each calendar year. The Suite shall be available for the viewing of all Home Games and additional events at KeyArena to which other Suite licensees are granted admission and without charge to F10H subject to Subsection VI.D.3.

2. Additional Suite

If all of the Suites in the KeyArena have not been licensed for use by one or more third parties within ninety (90) days of the first day of any WNBA season, F10H may also enjoy, without additional charge unless otherwise noted, the use of one additional unlicensed Suite that is specified from time to time by the Director for F10H's use for the viewing of Home Games during that particular season.

3. Limitations and Terms

Suites will be made available for F10H's use for events other than Home Games under the following circumstances (i) the event is included among those presentations in the KeyArena to which admission tickets are offered for sale to the general public and Suite licensees are granted admission without additional charge; and (ii) there is a Suite available within seven (7) calendar days of the event, and (iii) F10H pays the cost of any leasehold excise tax or admission tax, and (iv) F10H pays to the City a fee for the use of said Suite equal to the then-current percentage share of Suite revenue due to the entity entrusted with the licensing or management of Suites. Additional events do not include presentations such as graduations, religious meetings, or political conventions with respect to which tickets are sold or otherwise distributed to attendees on a restricted basis, or any N.C.A.A. Basketball Tournament games, or competition sanctioned by the United States Olympic Committee, or National Basketball Association All-Star Game, or any presentations that City is contractually precluded from making available for viewing by Suite occupants without an additional charge, and no Suite use shall be permitted under this Agreement for any such presentation. F10H's use and enjoyment of Suites shall also be conditioned on the F10H's compliance with the same terms and conditions applicable to the lessees and occupants of other KeyArena Suites.

E. South Suite Club

For each regular season confirmed Home Game date, the City will also reserve the South Suite club for F10H's use for pre-game, half-time and post-game receptions and viewing of basketball for groups attending Home Games. Prior to each regular season Home Game, F10H shall notify the Director, in writing, of any intended use of the club, and F10H will work with the Concessionaire to

place all Food and Beverage orders in advance. F10H shall be responsible for the cost of all Food and Beverage orders placed with Concessionaire.

VII. TICKET ADMINISTRATION

A. ADA

F10H shall comply with any policies implemented by the Director from time to time during the Term in order to comply with the Americans with Disabilities Act (ADA). Additionally, F10H shall conduct its ticket sales according to the method that Seattle Center uses in KeyArena for ticketed events and which complies with the ADA, as such requirements may change for time to time. As of the Effective Date, the ticketing requirements include the following requirements:

- i. holding one percent (1%) of capacity within each ticket price/level for ADA seating;
- ii. leaving one row of seats vacant in front of ADA sections 104, 106, 108, 111, 114, 117, 118, 125 and 127;
- iii. holding one percent of remaining sellable capacity up to game time for ADA seating, in all pricing levels; and
- iv. leaving vacant two rows of seats in front of ADA sections 203, 205, 209, 211, 216, 217, 223 & 226.

F10H shall conduct its other operations at the Premises in compliance with ADA requirements, including ensuring effective communication for people with disabilities. Effective communication includes, but is not limited to, accessible ticketing. F10H shall have no obligation to complete structural or other physical alterations or repairs to the Premises which are required for ADA compliance.

B. F10H's Responsibilities

Other than what is required under Subsection VII.A, the City shall have no rights, authority or responsibility with respect to the sale of tickets to Storm Home Games, including but not limited to the printing and distribution of tickets; the undertaking and conducting of group, season, and special package sales; the establishing of any and all prices for basic admission to F10H's events and activities at Seattle Center and any service charge(s) thereon; the collecting and counting of receipts; and accounting. F10H shall be entitled to all revenues derived from the sale of tickets.

C. Admissions

F10H shall take reasonable steps to ensure that no person with a primary purpose of viewing a Storm Home Game is admitted to any such Home Game at the KeyArena without first presenting an admission ticket.

D. Box Office Statement Provided to Director

At the end of each Home Game, F10H shall deliver to the Director a box office statement prepared in connection therewith, showing for each such game the number of tickets distributed, by price category, and certified as to accuracy by an authorized employee of agent of F10H.

VIII. RECOGNITION OF SEATTLE CENTER LOCATION

F10H shall ensure that the words “KeyArena at Seattle Center” appear on all tickets and shall use its reasonable efforts to ensure that the words “KeyArena at Seattle Center” appear in or on advertising material (including but not limited to brochures, signs, and logos) that makes reference to the Storm’s Home Games and that is imprinted, published or otherwise produced by or on behalf of F10H. In the event KeyArena is renamed during the Term, F10H shall replace the word “KeyArena” with the new name of the facility, and F10H shall continue to comply with all obligations in this Section.

IX. SERVICES AND FACILITIES

A. Services and Facilities to be provided by City for Storm Home Games

In consideration of the License Fee required by Subsection XI.A of this Agreement, the City shall provide F10H with the following services for each Home Game basketball presentation: Seattle Center Event Service Representative(s) (to advance, coordinate, & invoice event); set-up and removal of basketball game-associated equipment; peer security at entry doors for bag checking only; a public first-aid facility in the KeyArena; KeyArena admissions / guest services personnel for doors opening one hour prior to tip (one & ½ hours for courtside); one house light operator; one house sound operator; TFM laborers for maintenance, cleaning, and event equipment oversight; building technical staff including house electrical, house facility engineers, and a facility IT coordinator (as described under Section IX.G); building security including ESU at Comm Centers (facility SEC officer), and SPD house security (does not include security for WNBA benches, players, or officials); utilities under Section IX.D. The Director shall determine the necessary level of service after consultation with F10H. The City and F10H shall endeavor to jointly develop operating standards for Home Games in an effort to provide high levels of customer service while also controlling operational cost; however, in the event of any disagreement pertaining to operational issues, the decision of the Seattle Center Director shall be final. In no event shall service levels be less than those customarily provided to the Storm prior to the Effective Date, unless there is a material reduction in attendance at Home Games compared to 2016 levels, or otherwise by agreement of the parties. In the event that complaints are made by patrons with regard to quality of service provided by the City under this Section, the Parties will cooperate to evaluate the legitimacy of such complaint and the remedy the City will implement to address the complaint in a reasonable manner.

B. Services and Facilities to be provided by F10H

The License Fee does not include any other personnel or services not specifically enumerated in Subsection IX.A, and F10H shall determine qualifications and provide at its sole expense or pay the

costs of the following: ring signage operator; video operator (to include all positions in MO4C); courtside signage operator; scoreboard operators; staff required for television and radio broadcasts; scorers; paramedics; ticket sellers; and game officials. F10H shall also secure and pay for whatever number of off-duty Seattle Police Department law enforcement officers as F10H determines are necessary for player, coach, bench or courtside security. F10H shall not engage any other public or private security personnel for the Premises without the Director's Approval.

C. Pre-, Mid- and Post-Home Game Activities

The Parties agree that there may be mutual benefits in certain pre-game, mid-game and post-game activities and receptions; however, the License Fee does not include and does not require the City to provide any pre-, mid-, or post Home Game services beyond those described in IX.A at a level reasonably required for the actual playing of a basketball game and the support needed to reasonably accommodate spectators watching the game. F10H may schedule such pre-, mid- and post Home Game activities upon reasonable prior notice to the Director provided they occur within the Day of Game hours of F10H's authorized occupancy of KeyArena, as described in Subsection VI.A.4 above. If the staffing costs for such events are five hundred dollars (\$500) or less for any event, then the F10H shall pay no costs. If the staffing costs exceed five hundred dollars (\$500) for any event, F10H shall pay all usual and customary costs the City incurs for personnel, services, and equipment that the Director determines is necessary to facilitate each such activity. F10H may use the South Suite club for pre-game, mid-game, and post-game activities according to the provisions in Section VI.E.

F10H is also granted the right to continue the usual and customary practice of providing pre-game activities and sponsor displays on the adjacent West plaza, subject to the Director's approval. F10H shall be responsible for all staffing costs associated with use of the West Plaza.

D. Utilities

The License Fee shall include electricity, water, heating, ventilation and air conditioning, sewer and solid waste removal reasonably required for F10H's use of the KeyArena as contemplated herein. Additionally, the License Fee shall include the use and maintenance of phones that are available in the Premises for use by any user of the Premises. The City shall be responsible for the costs to repair any malfunction or failure of any utility service provided pursuant to its obligations in this Subsection, and shall be responsible for any damage associated with any interruption or impairment of F10H's use, enjoyment and occupancy of KeyArena resulting from any such utility system malfunction, but only if such malfunction is directly caused by a negligent act or omission of Seattle Center Department personnel. Additionally, the License Fee shall include the Wi-Fi services that are available for users of KeyArena on an as-is basis without charge, however the City does not guarantee a particular service level and shall have no liability for any failure or inadequacy of the Wi-Fi system. The License Fee does not include, and F10H shall pay, charges for cable television service to locker rooms.

E. Basketball Floor

The City will supply a basketball floor for F10H's use. The Parties agree that the existing floor is suitable for use for five seasons, provided that it is not repainted and refinished more than one time during that time period. All costs associated with painting, re-painting, finishing, re-finishing,

preparing and adding logos to the floor, as well as any changes needed to accommodate the accompanying baskets and courtside seating for WNBA purposes, shall be the sole responsibility of F10H, unless the cost results from the City's permitted use of the floor by a third party. F10H shall ensure that any floor that is utilized contains the words "KeyArena at Seattle Center" in a prominent and television-viewable location unless such display is expressly prohibited by the WNBA, or an equivalent identification on the floor should the City enter into a new naming rights agreement requiring such identification on the floor. The F10H shall be able to continue the practice of applying Storm, WNBA, and sponsor logos on the floor to remain for the duration of a season, in its reasonable discretion. The City shall ensure that any usage of the floor by another tenant shall not result in additional costs to F10H. The City will use best efforts to include a replacement floor for F10H's use in any Redevelopment of the Premises at no cost to F10H, and in any case the City will be responsible for the replacement of the floor if needed as a result of Redevelopment, third party use, or if needed after the first five years of the Term. However, if a replacement floor is needed within the first five (5) years of the Term as a result of F10H's repainting and refinishing the existing floor more than one time, F10H shall be responsible for the cost.

F. Courtside and Basket Stanchion Signage

F10H shall assume responsibility for the lease and maintenance of the courtside signage in front of the scorer's table and digital signage on the basket stanchion. The City shall continue to store the signage on site.

G. Technology Liaison

The City shall provide an information technology (IT) liaison to help manage and coordinate IT related issues and needs between KeyArena systems and F10H's systems. The specific scope of the City's IT liaison services is subject to City budget and personnel constraints, as determined in the reasonable discretion of the Director.

X. CONCESSION OPERATIONS, NOVELTIES, ADVERTISING, SUITE SALES AND REVENUE SHARING

A. Concession Operations

1. City's Rights; Selection of Concessionaire

The City reserves the exclusive right to engage in Concession Operations or to contract with third parties to provide Concession Operations at KeyArena. As of the Effective Date, Concession Operations are governed by a separate contract between the City and a third party Concessionaire. Because quality and costs of concessions at Home Games are of concern to F10H, if the City initiates a process, other than a Redevelopment process, whereby the City will enter into a new contract for Concession Operations at KeyArena, F10H shall have the right to do the following: (i) be a participant in the process for the selection of a Concessionaire with

the understanding that the City reserves all decision making rights; and (ii) participate in the evaluation process for the Concessionaire whenever it occurs during the Term.

2. Concession Operations

The City and F10H shall meet at least once ninety (90) days after the end of each Storm season to confer regarding the Concession Operations for the upcoming season. Where there are opportunities to improve the quality of Concession Operations that in the Director's discretion are affordable and operationally appropriate to do, subject to any contractual limitations, the City will work directly with the Concessionaire, or Third Party Management Company, to implement such improvements, including but not limited to:

- (i) the development of Storm-specific products, signage, menu displays and sponsorships;
- (ii) the style and content for Concession-related clubs and seating areas, including the option to add outside vendors to augment Food and Beverage offerings, as mutually agreed upon between the City and Concessionaire or third party manager;
- (iii) the number of KeyArena concessions areas, clubs, restaurants, and lounges that are open for any and all Home Games;
- (iv) Storm-specific pricing for Concessions;
- (v) whether or not to retain "in and out" privileges for Storm fans at designated KeyArena entrances;
- (vi) the sale of alcohol at specific locations for Home Games;
- (vii) the use of roving vendors and concomitant technology to provide concessions in the lower bowl of KeyArena and which allows fans to order, pay and receive concessions while remaining in their seats;
- (viii) development and implementation of a program to gather point of purchase information; and
- (ix) the integration of community groups to raise revenue from and participate in concession activities.

3. Meetings during Storm Season

During the months in which any Home Game is scheduled, all parties, including, but not limited to, the City, the F10H, any Concessionaires, any Third Party Management Company, and any other party operating at the Premises who may impact the F10H's use of the Premises shall have a joint bi-weekly meeting to discuss operation of the Premises and to resolve any operational and management conflicts, all in an effort to enable the F10H to have use and enjoyment of the Premises as provided under this Agreement and to provide the fans of the Storm with a high quality sporting event experience. Each representative at the weekly

meeting shall be an individual with decision-making authority on the day-to-day operations of that representative's respective organization's activities.

B. Revenue from Concession Operations

During the Term of this Agreement, F10H shall be entitled to receive thirty percent (30%) of the gross revenue derived from Concession Operations at Home Games. Concessionaire and the City shall keep accurate books and records and shall make such records available for F10H review and inspection upon reasonable advance notice.

C. Sale of Food outside KeyArena

Subject to the Director's Approval of a specific proposal, F10H may contract with vendors to sell Food outside KeyArena in the adjacent plazas during any scheduled Home Game. The Director will not unreasonably withhold Approval of any such proposal, however the Director may condition Approval in his or her discretion. F10H will require its vendors to comply with all applicable laws, statutes, ordinances, rules and regulations. Additionally, F10H will reimburse the City for additional staffing cost to the Seattle Center associated with the sale of Food outside KeyArena. F10H is entitled to keep all revenue derived from the permitted sale of Food.

D. Novelties

F10H is hereby granted the exclusive right to sell Novelties at Home Games as has been customarily done by the Storm on the east and west sides of the Premises. F10H may propose to sell Novelties at other locations on the Seattle Center Campus, subject to approval by the Director based on availability of space and any other factors in his or her reasonable discretion. F10H is entitled to keep all revenue derived from the permitted sale of Novelties. The Director shall designate space within KeyArena or a mutually agreed-upon location on a per season basis where F10H may store Novelties merchandise and point of sale equipment during the season.

E. F10H Revenue Share

Subject to the grant of Temporary Advertising rights in Subsection X.F, the City retains the exclusive right to sell Advertising, Suites, and Naming Rights in KeyArena, directly or by its Third Party Management Company. In partial consideration of the enhanced value the City derives from these sales due to the Storm's use of KeyArena for the playing of Home Games, and in partial consideration of the public benefits provided by F10H under Subsection XI.C, the City will pay F10H a guaranteed share of revenue in the amount of Three Hundred Forty Thousand One Hundred Ninety-Eight Dollars (\$340,198) ("F10H Revenue Share") beginning in 2017 and annually thereafter, subject to Section XXVII.H. Such payment shall be indexed for inflation pursuant to Section XXX of this Agreement. Within 30 days of the end of the season F10H shall provide the City a letter outlining the execution and completion of F10H's Public Benefits obligation under Subsection XI.C. The City shall pay F10H the Revenue Share in the time provided under Section XII.C.

F. F10H Temporary Advertising; City's Reserved Rights

1. Temporary Advertising

F10H or its designee is hereby granted the exclusive right to sell, grant, license and present Temporary Advertising on Home Game Days at or from the following portions of the lower bowl: the digital signage owned or leased by F10H from a third party, the basketball floor, backboards, basketball goal supports' padding, player benches, 24 second clock, press table, scorer's table, team and trainer equipment, visiting team and trainer equipment, video portion of jumbotron, the concrete walls in the lower bowl, the seats and seatbacks in the lower and upper bowl, the blimp and similar devices approved by the building manager, media room, settlement room, courtside entrance, family lounge and the curtain. F10H may present Temporary Advertising in any other area of the lower bowl with the prior Approval of the Director, and may present Temporary Advertising in the above locations during other F10H events unless the Center's configuration or set up of the lower bowl for a specific event otherwise precludes it. In addition, F10H is also granted the right to sell and present Temporary Advertising on ring signage areas, it being understood that the City retains the right to present Advertising on ring signage areas on Home Game Days, including the right to run promotional Advertising for upcoming KeyArena events, as long as such advertising does not conflict with F10H's Temporary Advertising agreements. F10H shall ensure that no less than ten (10) % of the available ring signage time for each Home Game remains available to the City. The City reserves the right to continue to present Advertising on permanent displays, and F10H shall not cover over the City's Advertising. The parties will work collaboratively with respect to the presentation of Advertising in the ring signage area. F10H is entitled to keep all revenue derived from F10H's sale of Temporary Advertising as granted in this Subsection.

2. City Reserved Rights

Except for Temporary Advertising Rights expressly granted to F10H under Subsection F.1, the City reserves all rights to enter into Advertising agreements with third parties for any or all portions of KeyArena and during all times. The City reserves the right to enter into, or to grant another tenant the right to enter into, a naming rights or title sponsorship agreement that grants exclusive representation throughout KeyArena to the naming rights partner, such that the City, its Third Party Management Company, and F10H or its designee will be limited or prohibited from entering or renewing Temporary Advertising agreements with competing sponsors. The City and its Third Party Management Company will work collaboratively with F10H to maximize revenues for both parties in the execution of Advertising contracts that could incorporate the F10H Temporary Advertising elements on Home Game Days (defined above).

3. Home Game Days

F10H has the right to list the name of game sponsors, on Home Game Days only, on the exterior KeyArena LED sign on the First Avenue Plaza as determined to be consistent with laws, regulations and adopted Seattle Center policies applicable to all signage at Seattle Center.

G. Additional Sources of Revenue Available to Storm

At any time during the Term, the Storm may present the Director with proposals for additional revenue opportunities on the Seattle Center campus and at KeyArena; while the Director will review any proposal in good faith, Approval of such proposals shall remain in the sole discretion of the Director.

H. Exclusive Video Production, Broadcast and Cablecast Transmission Rights

F10H hereby reserves and retains, for itself, the exclusive use and control of all rights to all Home Games played in the Arena, including exclusive rights to preserve, transmit, or reproduce for hearing or viewing such games by whatever means or processes now exist or may hereafter be developed for such preservation, transmission, or reproduction including, but not limited to, radio and television broadcasting, motion picture and still photography, videotaping and closed circuit pay-per-view and any and all forms of cablecasting, electronic transmission and information technology without any limitation.

XI. CONSIDERATION DUE TO CITY FROM F10H

A. License Fee

F10H shall pay the City Five Thousand Seven Hundred Fifteen Dollars (\$5,715) for use of the Premises, which does not include use of the upper bowl, at KeyArena for each Home Game (the "License Fee"). If the Storm requests the use of any portion of the upper bowl for any Home Game, the Storm will reimburse the City the additional costs that result from opening those sections of the upper bowl, but not to exceed Two Thousand Four Hundred Dollars (\$2,400) per Home Game ("Upper Bowl License Fee"). After the 2017 season, the License Fee and Upper Bowl License Fee shall be adjusted annually prior to each season by the then-current percentage amount of the cost of living adjustment ("COLA") that the City pays to its represented employees and any additional increase to employee pay required as a result of change to the minimum wage law; however, the License Fee increase will be capped at 5% annually. For example only, if the City raises labor compensation rates due to COLA and minimum wage by 2.4% from the 2017 to 2018 calendar year, the above License Fee will increase by 2.4%, rounded up to the nearest dollar, in the 2018 season; if the City raises labor compensation rates by 6% from the 2017 to 2018 calendar year, the License Fee will increase by 5%, rounded to the nearest dollar, in the 2018 season.

B. Cancellation Fee

F10H shall pay the City a fee equal to the then-current per game License Fee for each Confirmed Date Home Game it cancels with less than sixty (60) days' notice to the City. Additionally, the F10H Revenue Share will be reduced by a prorata amount based on the number of Home Games in that season if F10H cancels any Confirmed Date Home Game. In consideration of administrative costs and potential inconvenience to the City resulting from cancellation, F10H will pay the City the cancellation fee regardless of whether the City is able to provide a replacement event at KeyArena for such cancelled Home Game date. Notwithstanding the foregoing, no Cancellation Fee shall be due if the cancellation results from causes beyond the control of F10H or the WNBA.

C. Additional Consideration

The City is entering into this Agreement with F10H, in part, because the Storm Home Games enhance the offerings of Seattle Center and draw people to the Seattle Center campus and lower Queen Anne business district. F10H will also provide additional public benefits every year of the Term as follows: (i) a program where one thousand tickets per season will be provided at no cost to local non-profits to distribute to children who might otherwise be unable to afford to attend a Storm game; (ii) a significant community service program in Seattle per season, including for example, clinics with players teaching the importance of healthy and active lifestyles to young people and partnering with non-profit organizations to improve literacy, involving players, coaches, staff and owners and the WNBA; (iii) an environmental sustainability program, where F10H will help public and private agencies working together to educate the public about steps individuals can take to contribute to a healthier environment; and (iv) a ticket pricing structure that will ensure at least five hundred (500) tickets are priced no greater than \$15 per game (indexed for inflation pursuant to Section XXX of this Agreement), so that a broad cross-section of the community is always able to attend Storm games.

XII. Reporting, Invoicing and Timing of Payments

A. Monthly Invoice

On or before the fifth (5th) day of each month during the Term hereof, the City will invoice F10H for the aggregate amount of the KeyArena fixed License Fees specified in Section XI above and any additional costs that have become due and payable as a consequence of F10H's use of KeyArena during the preceding calendar month.

B. Time and Manner of Payments Due After Invoice

F10H shall pay all amounts due the City pursuant to this Agreement within thirty (30) days following receipt of the City's invoice therefore. F10H shall deliver payment to the City at the address in this Subsection, or such other address as the Director may specify from time to time.

Seattle Center Accounting Office
305 Harrison Street
Seattle, WA 98109

C. Annual Reconciliation

Within thirty (30) days after the last game of each season of each year during the Term or November 30, whichever is later, F10H shall provide the City with the report of Gross Ticket Receipts described in Subsection XII.D, below, and, if applicable, the report required under Subsection XXVII.E. Thereafter, the Director shall perform a reconciliation, taking into consideration the Gross Ticket Receipts; any cancellation fees due from F10H; any payments due to F10H under Section XXVII; the amounts owed by the City to F10H for concession revenue pursuant to Subsection X.B and the F10H Revenue Share pursuant to Subsection X.E above, and any outstanding miscellaneous charges or credits otherwise due upon presentation of any invoice.

The Director will present F10H with an invoice for any remaining amounts due, and F10H shall pay the City any undisputed amounts within thirty (30) days after receipt of invoice. In the event that the total amount of credit due to F10H exceeds the amount of outstanding charges, within thirty (30) days the City will pay F10H that amount by which the credit exceeds the outstanding charges.

D. F10H's Report of Revenues and Public Benefits

Within thirty (30) days after the final game of each season of each year under this Agreement, F10H shall deliver to the Director a written report detailing the amount of Gross Ticket Receipts generated by F10H from the sale of Storm Home Game admission tickets in that calendar year. Said reports shall show revenues on both an aggregate and a per-Home Game basis. Additionally, F10H shall provide the Director with a summary describing the public benefits F10H provided in compliance with the public benefit requirements under Subsection XI.C.

E. Delinquencies, Invoicing Service Charge & Interest

All payments shall be delinquent if not paid on the date due by either party. The amount of each delinquency shall be subject to an invoicing service charge of Fifty Dollars (\$50.00) and shall also bear interest at a rate of one percent (1%) per month from the date of the delinquency until it is paid. Payments made after a delinquency shall be applied first to accrued interest and then to the principal sum due.

F. Books and Records; Audit

1. Obligation to Keep Records

a. F10H's Obligation. F10H shall keep true, accurate, complete and auditable records and receipts relating to Revenue and all records relating to F10H's calculation of Lost Revenue (as defined under Section XXVII.D), and records relating to public benefits F10H is required to provide under this Agreement. Additionally, F10H shall keep true, accurate complete and auditable records of all Direct Costs (as defined under Section XXVII.D) incurred by F10H for the playing of Home Games at KeyArena or an alternate venue, and all records relating to F10H's calculation of Additional Costs (as defined under Section XXVII.D). Such records shall be distinguishable from the records pertaining to other business activities of F10H.

b. City's Obligation. The City shall keep true, accurate, complete and auditable records and receipts relating to costs incurred in providing any service or performing any work for which compensation or reimbursement is sought hereunder. Such records shall be separate from the records pertaining to other business activities of the City.

c. Records Retention. All records to be kept pursuant to this Agreement shall be retained in King County, Washington, for at least six full years following the fiscal year in which the records were generated.

2. City Audits

F10H shall permit the City, or an auditor acting on its behalf, from time to time during regular F10H working hours, as the Director or City Auditor deems necessary, to inspect and audit in King County, Washington, those books and records F10H is required to keep under Subsection XII.F.1 which relate to public benefits F10H is required to provide under this Agreement. F10H shall supply the City with, or shall permit the City to make, copies of any books and record relating to public benefits upon the City's request. The City's right to review and audit F10H's books and records relating to Lost Revenue, Additional Costs, Direct Costs, and the calculation of relocation payments shall be limited to the circumstances in Section XXVII.E.

3. F10H's Audits

The City shall permit F10H's auditor, from time to time during regular City working hours, as F10H's auditor reasonably deems necessary, to inspect and audit in King County, Washington, those Seattle Center books and records that pertain to revenues received and costs incurred and billed to F10H pursuant to this Agreement. The City shall supply F10H's auditor or F10H with, or shall permit F10H's auditor or F10H to make, copies of any such books and records and any portion thereof, upon F10H's auditor's or F10H's request.

4. Over- & Underpayments

Each party shall notify the other of the amount of any overpayment or underpayment found during any audit. Any overpayments shall be applied, first, as a credit against any fees and charges subsequently due to the party giving notice or, if none, refunded.

XIII. PARKING

A. South KeyArena Parking Lot

F10H, at no additional cost, shall be entitled to full use of the South KeyArena Parking Lot for parking for F10H's players, staff and other special designees on Home Game dates. For other approved Storm event dates (including practice sessions), such parking shall be provided if available. For any events scheduled during Bumbershoot or Labor Day Weekend, parking may not be available in any amount, in order to accommodate the need for shared use.

B. First Avenue North Parking Garage

The Director shall issue to F10H annually, at no cost, 500 permits authorizing parking by F10H's players, staff and ticket holders in the City's First Avenue North Parking Garage for Home Games. In the event that F10H chooses to resell such parking on an individual Home Game basis, F10H shall not charge more than the City's then current rate for parking at Seattle Center parking lots.

XIV. NO NUISANCES OR OBJECTIONABLE ACTIVITY

F10H shall not knowingly permit any excessive or objectionable noise, odor, dust, vibration, or similar substance or condition to remain on or be emitted from the Premises and shall not create any nuisance in or adjacent to the Premises and the City shall not knowingly permit or create the same; provided, that noise emanating from the audience or game-related events during a Home Game shall not be subject to this provision. Neither the City, in or about the Premises on any Home Game date, nor F10H, shall do anything on the Premises that will create a danger to life or limb, except such dangers as are the usual and necessary result of basketball playing or practicing.

XV. IMPROVEMENTS, ADDITIONS, AND ALTERATIONS TO PREMISES BY OR FOR F10H

A. Vertical Curtain System

Prior to the Effective Date, F10H owned the vertical curtain system in KeyArena. As of the Effective Date, F10H transfers its ownership of the vertical curtain system to the City, and in consideration, the City will pay all labor costs associated with raising and lowering the vertical curtain system as needed for F10H's Home Games and any other F10H event.

B. Improvements, Additions and Alteration to Premises

F10H shall make no material additions, alterations, improvements or modifications to the Premises without the Director's prior Approval of the plans.

XVI. MAINTENANCE

A. City Maintenance Responsibilities

The City shall maintain the Premises and City-owned equipment therein, in a neat, clean, safe and sanitary condition, and in a good state of repair that is at all times equal to the conditions existing at the start of the Term, or as improved during the Term, ordinary wear and tear excepted.

B. F10H's Maintenance Responsibilities

The City shall not be responsible for providing or performing any maintenance, repair or servicing of any of F10H's improvements, equipment or other personal property, and the maintenance, repair or servicing of all of the same shall be F10H's sole responsibility and shall be undertaken at F10H's sole expense. F10H shall be responsible for all maintenance of the Exclusive Use Areas, except for the utilities provided by the City, which will be maintained by the City. Upon the expiration or termination of this Agreement, F10H shall return the Exclusive Use Areas to the City in the same condition or better as when it took occupancy of the Exclusive Use Areas, normal wear and tear excepted.

C. F10H's Responsibility for Damage

Neither F10H nor any of its officers, employees, contractors, agents or invitees shall damage or in any manner deface any portion of the Premises or cause or allow anything to be done whereby any portion of the Premises is defaced or damaged in any manner. If such damage or defacement occurs or F10H fails fulfill its maintenance responsibilities under Section XVI.B, then the City will notify F10H of the same and F10H shall promptly repair the damage or undertake such maintenance. If F10H fails to repair the damage within a time reasonable under the circumstances, the City retains the option, but not the obligation, to perform maintenance, repair, or renovation occasioned thereby, and to invoice F10H for the reimbursement of such expenses, which reimbursement shall be paid by F10H as provided in Subsection XII.A.

XVII. CITY'S CONTROL OF BUILDINGS AND GROUNDS

A. City's Control of KeyArena

The City shall at all times maintain overall supervision and control of KeyArena, including the Premises. The Director shall have the right to use whatever means the Director deems proper to enter the Premises, with the exception of Exclusive Use Areas, at any time and for any purpose, without liability to F10H except for any failure to exercise due care for F10H's property. With regard to Exclusive Use Areas, the Director shall take reasonable steps to obtain the permission of F10H prior to entering, unless there is an emergency. The F10H shall have reasonable access to the Exclusive Use Areas on non-Home Game dates at all reasonable times after prior notice.

B. City's Control of Other Seattle Center Buildings and Grounds

The City reserves the exclusive right, without liability of any kind, to do any and all of the following throughout the term of this Agreement:

1. Increase, reduce, and change in any manner whatsoever the number, appearance, dimensions, and locations of the Seattle Center walks, buildings, landscaping, parking, and service areas, and make improvements, alterations, and additions to the Seattle Center facilities.
2. Regulate all traffic within and adjacent to the Seattle Center.
3. Impose a reasonable charge for admission to the Seattle Center; provided, however, the City will ensure that F10H's ticketed patrons entering Seattle Center for the sole purpose of attending a WNBA game are not charged any admission fee.
4. Erect, display and remove promotional exhibits and materials and permit special events to occur in and on the Seattle Center grounds, buildings, and facilities including the Premises.
5. Promulgate, from time to time, reasonable rules and regulations regarding the use and occupancy of any area of Seattle Center.
6. Determine the days and hours the Seattle Center and various business operations conducted thereon shall be open to the public.

7. Other than as specifically set forth herein, the City reserves the right to determine the size, number, and type and identity of concessions, stores, businesses and operations being conducted or undertaken at Seattle Center and to operate and authorize others to engage in any and all forms of concession activity at the Seattle Center and in any facility thereof, as the Director deems appropriate.

XVIII. COMPLIANCE WITH LAW

A. General Obligation

F10H, at its sole cost and expense, shall conform and comply with, and shall take reasonable steps to ensure that every person it admits to any Seattle Center facility abides by and complies with, all applicable laws of the United States and the State of Washington; the Charter and ordinances of The City of Seattle; rules and regulations of the Seattle Center, Fire, and Police Departments, and the Seattle-King County Department of Public Health, and their respective successors; and licenses, permits and any directives issued by any authorized official thereof. Specifically, F10H shall comply with all of the following requirements:

B. Licenses

F10H shall obtain all licenses, permits and authorizations required by law and conform to all applicable requirements of any authorized person acting in connection therewith.

C. Taxes

F10H shall pay, before delinquency, all taxes, levies, and assessments arising from its activities in, on, or involving occupancy and use of the Premises including, but not limited to, taxes arising out of F10H's occupancy of, or activity or business conducted in or from the Premises; taxes levied on F10H's property, equipment, improvements on or made to the Premises or any portion thereof; and taxes levied on F10H's interest in this Agreement and any leasehold interest recognized by Ch. 82.29A of the Revised Code of Washington. If the State of Washington makes any demand upon the City for the remittance of leasehold excise taxes payable by F10H as a consequence of F10H's occupation of the Premises or withholds funds due to the City to enforce collection of such leasehold excise taxes, F10H shall immediately pay the same together with all interest and penalties assessed in connection therewith, or, at its sole expense, shall contest such action and indemnify the City for all sums expended by the City or withheld from the City by the State in connection with such taxation; provided that F10H shall not be deemed to be in default as long as F10H, in good faith, is contesting the validity or amount of any such taxes.

D. Non-discrimination

Without limiting the generality of Section XVIII.A, both parties shall comply with all applicable equal employment opportunity and nondiscrimination laws of the United States, the State of Washington, and The City of Seattle, including but not limited to Chapters 14.04, 14.10, 20.42, and 20.45 of the Seattle Municipal Code and the Americans with Disabilities Act, as they may be

amended, and all rules, regulations, orders, and directives of the associated administrative agencies and their officers.

E. Attendance and Safety Standards

The Seattle Fire Chief or his/her designee shall have the authority to determine, in the reasonable exercise of his/her discretion, the number of persons that may be admitted to, and safely and freely move about in the Premises. The F10H shall not sell or issue Home Game tickets or credentials for admission to KeyArena in an aggregate number that exceeds the Seattle Fire Chief's determined number for the same. The City shall not admit to KeyArena more people than the number so determined by the Seattle Fire Chief. No sidewalk, grounds area, entry, passage, vestibule, hall, elevator, abutting street, doorway, or any other way of access to the Premises shall be obstructed by F10H or used for any purpose other than for ingress and egress to the Premises.

F. Enforcement

If F10H or its authorized representative is informed of any violation of any law, Charter provision, ordinance, rule, regulation, license, permit, or authorization committed by F10H or any person admitted to a Home Game, F10H immediately shall desist from and/or take reasonable measures to prevent or correct such violation.

XIX. SURRENDER OF PREMISES

A. Surrender and Delivery

Upon the expiration or termination of this Agreement, F10H shall surrender and promptly deliver to the Director all keys F10H and any of its officers, agents, and employees may have acquired in the course of performing this Agreement.

B. Removal of F10H's Property

1. Upon expiration of the Term of this Agreement, or at the request of the Director if necessary to accommodate Redevelopment of KeyArena, or if this Agreement is terminated, within thirty (30) days after the termination date, F10H shall remove, at its sole expense, all trade equipment and personal property owned or installed by F10H on or in the Premises. Except as may be permitted by the Director, fixtures shall not be removed.
2. In removing any trade equipment or personal property, F10H shall take due care to not injure or damage the Premises. If any damage or injury occurs, F10H shall be liable to, and shall reimburse the City for, the cost of making such repairs to the Premises as may be necessary to restore the same to their condition as of the commencement date of this Agreement, ordinary wear and tear excepted, which reimbursement shall be paid as provided in Subsection XII. A, hereof.

C. Storage of F10H's Property

If F10H fails to remove trade equipment and other personal property owned by F10H on or by the time specified in Subsection XIX. B, the City may, but shall not be required to, remove such

material from the Premises and store the same, all at F10H's expense; and if the City removes or arranges for the storage of such material, F10H shall reimburse the City for all costs incurred in connection with such removal or storage, including any administrative costs, which reimbursement shall be paid as provided in Subsection XII. B hereof.

XX. SUBCONTRACTING, ASSIGNMENTS AND TRANSFERS OF OWNERSHIP INTERESTS

A. Director's Prior Consent for Subcontracting and Assignments

Local ownership of the Storm franchise is an important factor in the City's willingness to enter into this Agreement. As a result, F10H will not subcontract, transfer or assign this Agreement to another person or entity without the Director's Approval, except, as consistent with this Agreement, F10H may subcontract with other parties for the sale of Temporary Advertising or Novelties.

B. Transfer of Ownership

1. F10H's Delivery of Instrument of Assumption and Agreement. F10H shall not assign this Agreement to a purchaser as part of a sale of all or substantially all of its assets ("Sale Transaction") or as part of a transaction which would change the controlling interest of F10H, without obtaining the Director's Approval. The Director's Approval shall not be unreasonably withheld or delayed if the purchaser/assignee or new owners of F10H are a Local Group (at least fifty-one percent (51%) of the equity in the group is held by individuals who maintain their primary residence in the State of Washington), but the Director's Approval may be withheld in the Director's sole discretion if the purchaser/assignee or new owners of F10H are a Non-Local Group. In the event of a Sale Transaction, F10H shall cause to be delivered to the Seattle Center Director, immediately after the closing of such transaction, an instrument, in writing, executed by the purchaser/assignee, in which such person or entity agrees to assume and to perform all of the terms and provisions of this Agreement to the extent the same are then unperformed.

2. Release of F10H upon Director Approval of Total Assumption of F10H's Obligations by Other Party. Upon the delivery by F10H of an instrument of assumption and agreement as contemplated in Subsection XX.B.1, executed by the assignee, grantee, purchaser, or transferee in a Sale Transaction acquiring this Agreement from F10H and approved by the Director, and provided the transferee assumes all obligations of this Agreement, then each and every obligation of F10H hereunder shall become null and void as to F10H and F10H shall have no further direct or indirect liability or obligation hereunder to the extent of that assumption.

XXI. WARRANTIES AND REPRESENTATIONS

A. Franchise

F10H hereby warrants and represents to the City that F10H holds a valid effective WNBA franchise that permits and authorizes F10H to operate a professional women's basketball team in and from

the Seattle Center and F10H is authorized to enter into this Agreement, and such representation shall continue for the duration of this Agreement.

B. Relationship with WNBA

F10H hereby warrants and represents that this Agreement has been approved by the WNBA President or appropriate WNBA authority. F10H is subject to all WNBA rules, regulations, and agreements of the WNBA as they presently exist or as they may from time to time be entered into, amended or adopted, with respect to owning and operating a WNBA franchise, however, nothing in the WNBA Constitution, rules, regulations or Bylaws will relieve F10H of its obligations under this Agreement.

XXII. DISPUTE RESOLUTION

A. Mediation

The City and F10H will each make best efforts to resolve any dispute as expeditiously as possible through negotiations at the lowest possible decision-making level. In the event the negotiations are unsuccessful after thirty (30) days, both parties will then attempt to resolve the dispute through a conference including the President & CEO of F10H and the Director to be held within the following thirty (30) days. If the subsequent negotiations are unsuccessful, both parties will participate in good faith in the mediation process described below prior to either party initiating an arbitration under Subsection XXII. B or a lawsuit. In such event, the dispute will be referred to a mutually agreeable mediator or organization experienced in alternative dispute resolution for resolution within thirty (30) days of a written request for mediation submitted by either party. The parties agree to participate in good faith in at least four hours of non-binding mediation in an effort to resolve their dispute and to equally share the costs of the mediation process.

The positions expressed and the mediator's recommendations and/or requested findings shall not be admissible in evidence in any subsequent arbitration or legal proceeding, and such positions, recommendations and/or requested findings shall be maintained as confidential by the Parties to the extent permitted by law. Any documents exchanged by the parties through mediation shall be confidential to the extent permitted by law.

B. Arbitration

If a dispute is not finally resolved by negotiation and mediation pursuant to the terms of Subsection XXII.A, and if the dispute is a claim for a sum equal to or less than One Hundred Thousand Dollars (\$100,000) the City and F10H agree to submit such dispute ("Dispute") to binding arbitration.

Any Dispute that is subject to arbitration under this Section shall be finally settled by binding arbitration within ninety (90) days after the conclusion of the mediation, pursuant to the Commercial Arbitration Rules then in effect of the American Arbitration Association (or the rules of another agreed service), except as otherwise provided below. Judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

- (a) The place of the arbitration shall be Seattle, Washington.
- (b) The arbitration shall be conducted before one neutral third party arbitrator mutually selected by the parties.
- (c) The arbitrator shall state his or her findings and conclusions in writing, unless unanimously requested not to do so by the parties to the Dispute.

Any documents exchanged between the parties as part of the arbitration shall be confidential to the extent permitted by law.

XXIII. DEFAULT AND REMEDIES THEREFOR

A. Default by F10H

1. Event of Default. “F10H Default” means F10H’s failure to do any of the following: (i) pay the City any monetary obligation under this Agreement when it comes due; (ii) materially comply with its obligation to provide public benefits under Subsection XI.C; or (iii) perform any other obligation required under this Agreement.
2. Notice to Cure. The Director shall notify F10H in writing of any F10H Default and F10H shall have a reasonable period to cure such F10H Default, which period shall not exceed thirty (30) days from the date the Director provides notice. Except for any monetary default or failure to procure insurance, if the F10H Default is not susceptible of cure within thirty (30) days, F10H will not be in Default provided F10H commences to cure the F10H Default within the thirty (30) day period and diligently pursues the same to completion.
3. City’s Rights upon F10H’s Failure to Cure the F10H Default. If F10H fails to cure its F10H Default as required in Subsection XXIII.A.2, in addition to any other remedies available to it under this Agreement or in law, the City may terminate this Agreement upon fifteen (15) days’ notice to F10H and without any further proceedings under any of the following circumstances:
 - a) F10H fails to cure any F10H Default, other than failure to procure insurance or failure to pay any disputed amount, of which it had notice within the time specified in Subsection XXIII.A.2 unless F10H is diligently pursuing the same to completion as contemplated in Subsection XXII.A.2 above.
 - b) F10H fails to comply, within thirty (30) days after notice of such failure from the City, with all of the requirements of Section XXIV hereof (including Exhibit 5), regarding insurance, which shall not be subject to additional time for cure.
 - c) F10H fails to pay the City, in a timely manner, under Subsection XXIII.A.2 any undisputed amount due under this Agreement within thirty days of written demand from the City.

In addition to the remedies stated above, upon termination of this Agreement pursuant to Section XXIII.A.3, the City may re-enter the Premises, and lease or license the Premises to others for any date and receive rent and license fees therefor, all as if this Agreement has not been made.

B. Default by City

1. Event of Default. The City will be in Default (“City Default”) if it fails to perform any term, obligation, covenant, warranty or representation it is required to perform under this Agreement.
2. Notice to Cure. F10H shall notify the Director in writing of any City Default and the City shall have a reasonable period to cure such default, which period shall not exceed thirty (30) days from the date the F10H provides notice, unless such City Default is not susceptible of cure within thirty (30) days, in which event the City shall not be in default provided the City commences to cure the City Default within the thirty (30) day period and diligently pursues the same to completion.
3. F10H’s Rights upon Failure to Cure City Default. In addition to any other remedies available to it under this Agreement or in law, F10H may terminate this Agreement upon fifteen (15) days’ notice to the City and without any further proceedings under any of the following circumstances:
 - a) The City fails to cure any City Default of which it had notice within the time specified in Subsection XXIII.B.2 , unless the City commences the cure within the time specified and diligently pursues the same to completion.
 - b) The City fails to pay F10H, in a timely manner under Subsection XXIII.B.2, any undisputed amount due under this Agreement within thirty days of written demand from F10H.

XXIV. LIABILITY FOR BODILY INJURY AND PROPERTY DAMAGE INSURANCE

F10H shall obtain and maintain insurance as described in Exhibit 2 in full force and effect throughout the term of this Agreement, and shall otherwise fully comply with requirements of Exhibit 2. The City reserves the right to adjust or otherwise modify the insurance requirements in Exhibit 2 for the last five (5) years of this Agreement, subject to commercially reasonable standards and with reasonable notice to F10H, provided such modifications are then available in the marketplace at a commercially reasonable cost.

XXV. INDEMNIFICATION

A. F10H to Indemnify City

F10H shall defend, indemnify and hold the City and its officers, employees and agents harmless from any and all losses, claims, actions, and damages suffered by any person or entity arising out of: any negligent, reckless, or intentional act or omission of F10H or any of its agents, employees, invitees, concessionaires, contractors and any of their subcontractors in connection with F10H’s use or occupancy of the Premises; any grant by F10H of advertising rights for Temporary Advertising, or display of Temporary Advertising within the KeyArena; and from any damages arising out of any breach or default in the performance of any obligation on F10H’s part to be

performed under the terms of this Agreement or any breach of any representation or warranty made by F10H hereunder. If, as a result of any such act, omission or breach, any suit or action is brought against the City, F10H, upon notice of the commencement thereof, shall defend the same at no cost and expense to the City, and promptly satisfy any final judgment adverse to the City. If the City determines that one or more principles of governmental or public law are involved, the City retains the right to participate in its defense at no additional cost to F10H, however the City's participation will not reduce or limit F10H's obligation to indemnify the City as required in this Subsection. Nothing contained in this Subsection XXV.A shall be construed as requiring F10H to indemnify the City against liability for damages arising out of bodily injury to persons or damage to property caused by or resulting from negligence, reckless or intentional conduct attributable solely to the City or its officers, employees, or agents. In the event of any liability arising from the concurrent negligent acts, omissions, or breach of the F10H and the City, F10H's duty to indemnify shall apply to the extent of F10H's fault or breach. The indemnification provided in this Subsection XXV.A shall survive the expiration or earlier termination of this Agreement.

B. City to Indemnify F10H

The City shall defend, indemnify and hold F10H harmless from any and all losses, claims, actions, and damages suffered by any person or entity arising out of any negligent, reckless, or intentional act or omission of the City or any of its agents, employees, invitees, concessionaires, contractors and any of their subcontractors in connection with the City's use or occupancy of the Premises or other portions of KeyArena and from damages arising out of a breach or default in the performance of any obligation on the City's part to be performed under the terms of this Agreement or any breach of any representation or warranty made by the City hereunder. If, as a result of any such act or omission or breach, any suit or action is brought against F10H, the City, upon notice of the commencement thereof, shall defend the same at no cost and expense to F10H, and promptly satisfy any final judgment adverse to F10H. Nothing contained in this Subsection XXV.B shall be construed as requiring the City to indemnify F10H against liability for damages arising out of bodily injury to persons or damage to property caused by or resulting from negligence, reckless or intentional conduct attributable solely to F10H or any of its officers, employees, concessionaires, contractors, or agents. In the event of any liability arising from the concurrent negligent acts, omissions, or breach by the City and the F10H, the City's duty to indemnify shall apply to the extent of the City's fault or breach. The indemnification provided for in this Subsection XXV.B shall survive the expiration or earlier termination of this Agreement.

XXVI. FORCE MAJEURE

Whenever a party's performance under this Agreement is prevented by an act of nature; war-like operations; civil commotion; riot; labor dispute including a strike or walkout, but not a lockout; sabotage; Federal or State regulation or control; or other unforeseeable conditions beyond reasonable control of such party, performance of such affected obligation shall be suspended for the duration of such condition but shall not be excused except by agreement of the parties.

XXVII. REDEVELOPMENT

A. City's Reserved Redevelopment Rights

F10H acknowledges that the City has solicited proposals from third parties to redevelop and operate KeyArena as a world class civic arena which will be suitable for music, entertainment, and sporting events. Throughout the Term and subject to its obligations under this Agreement, the City reserves all rights necessary for Redevelopment of KeyArena through the current proposal process or any future process which the City deems in its best interest. Future Redevelopment may include, but not be limited to, substantial re-design, renovation and alteration, or complete replacement of the building and the lease of KeyArena to a third party. The City will keep F10H reasonably informed of the City's efforts to redevelop KeyArena.

B. Assignment and Attornment

Throughout the Term, the City may, in its discretion, assign some or all of its rights and obligations under this Agreement to a third party who agrees in writing to assume the City's rights and obligations. F10H agrees to attorn to the City's assignee.

C. Payment for Lost Opportunity and Intangible Redevelopment Impacts

The Parties agree that Redevelopment of KeyArena is anticipated to be beneficial to both Parties in the long term, and both Parties share the goal of the successful long-term presence of F10H at Seattle Center. Accordingly, the City will use its best efforts to minimize negative financial and operational impacts of any Redevelopment on F10H, subject to the City's other financial and policy considerations. However, the Parties acknowledge that it is not feasible for the City to reserve Redevelopment rights and exclusive naming and advertising rights without impact on F10H, including potentially negative impacts which are intangible and occur throughout the Term. Examples include but are not limited to F10H's lost opportunity to enter into long-term revenue-generating agreements for sponsorship and advertising at KeyArena; uncertainty of the timing and duration of F10H's anticipated displacement from KeyArena during construction or renovations associated with Redevelopment; potential loss of good will, loss of home court advantage, general inconvenience and unknown impacts resulting before, during and after any relocation; and uncertainty regarding the specific configuration and design of the redeveloped Premises. In consideration of such intangible impacts and lost opportunities which may occur throughout the Term, beginning in 2018, the City shall pay F10H One Hundred Thousand Dollars (\$100,000) each calendar year during the Term, including any year in which the Premises are unavailable due to Redevelopment. Payment shall be made at the time of the annual reconciliation when the City pays F10H the Revenue Share under Section X.E.

D. Relocation Payments to F10H

The City's reserved rights under Section XXVII.A include, but are not limited to, the right to close KeyArena during a portion of a WNBA season, or for one or more entire WNBA seasons in which case F10H agrees and shall be obligated to play Home Games at another venue. The City and

WNBA agree that if the City is unable to make the Premises available for Home Games as otherwise required under this Agreement due to Redevelopment or scheduling conflict due to Bumbershoot, F10H may incur Additional Costs and loss of Revenue. As a result, if F10H is required to relocate Home Game(s) to a location other than KeyArena, the City shall make payments to F10H as provided in this Section.

1. Definitions. As used in this Agreement, the capitalized terms below shall have the meanings given below.

“Additional Costs” means the reasonable, necessary and actual Direct Costs incurred by F10H for playing Home Game(s) at a venue other than KeyArena minus the Average Cost incurred by F10H for playing comparable Home Game(s) at KeyArena. “Direct Costs” include all license fees charges by the alternate venue; transportation costs for floor and team equipment; locker room and training facility set up costs; any other charges incurred at the alternate facility for services which are included in the License Fee for KeyArena, including but not limited to IT / Broadcast set-up fees; advertising to the public for change in venue; fees to create new signage, game graphics, seat maps or any other written material typically used for Home Games. Direct Costs shall not include F10H’s general operating costs and costs which would reasonably be incurred regardless of the venue. The “Average Cost” of Home Games played at KeyArena shall be calculated on a per game basis with distinction between regular season Home Games, including pre-season games, and post-season Home Games, or on a per season basis as follows:

Average Cost per Home Game: The average cost of a single regular season Home Game shall be calculated by adding F10H’s total actual costs incurred for all regular season Home Games played at KeyArena in the immediately preceding season, and dividing that amount by the number of games. The average cost of a single post-season Home Game shall be calculated by adding F10H’s total actual costs incurred for all post-season Home Games played at KeyArena in the most recent season during which post-season Home Games occurred, and dividing that amount by the number of post-season Home Games.

Average Cost per Season: The average cost of playing Home Games at KeyArena per season shall be calculated by adding F10H’s total actual costs incurred during the four immediately preceding seasons, including both regular season and post-season Home Games, and dividing that amount by four; provided that any season before 2016 shall not be used for purposes of averaging, and the number of seasons included in calculating the Average Cost per season shall be reduced as necessary to exclude seasons prior to 2016.

“Lost Revenue” means the amount by which that portion of F10H’s average Revenue received from playing Home Game(s) at KeyArena exceeds the amount of that portion of Revenue actually received by F10H from playing Home Game(s) at a venue other than KeyArena. Lost Revenue may be calculated on a per game basis or a per season basis by using the same averaging methodology used for calculating the Average Cost.

2. Per Game Relocation Payment

If F10H has complied with the scheduling requirements in Section V, but the Premises are unavailable for the playing of one or more Home Games as a result of (i) a scheduling conflict with Bumbershoot or (ii) Redevelopment, the City shall pay F10H the following amounts per

relocated Home Game with distinction between regular season Home Games and post-season Home Games:

- a) One hundred percent (100%) of F10H's demonstrated Additional Costs up to Fifty Thousand Dollars (\$50,000), plus ninety percent (90%) of Additional Costs which exceed Fifty Thousand Dollars (\$50,000) (if any) up to a maximum total payment of Sixty Thousand Dollars (\$60,000); and
- b) One hundred percent (100%) of F10H's Lost Revenue up to Eighty-Five Thousand Dollars (\$85,000), plus seventy-five (75%) of F10H's lost Revenue which exceeds Eight-Five Thousand Dollars (\$85,000) (if any) up to a maximum total payment of Two Hundred Thousand Dollars (\$200,000).

If the number of relocated Home Games in any season exceeds ten (10) Home Games, the relocation payment shall not be calculated on a per game basis, but shall instead be calculated under Subsection XXVII.D.3.

3. Relocation for One or Two Entire Seasons

The City will notify F10H as soon as possible, but in no event no later than July 31, if the Premises will be unavailable for the upcoming WNBA regular season due to Redevelopment of KeyArena. As part of that notification, the City will let F10H know the nature and schedule of the Redevelopment, to the extent it is known at the time notice is given, and will work collaboratively with F10H to help secure an alternative venue for the Home Game dates for which KeyArena will be unavailable. If the Premises are unavailable for the playing of Home Games exceeding ten (10) Home Games for one or two WNBA seasons due to Redevelopment, in lieu of paying a per game relocation payment, the City shall pay F10H the following amounts per season:

- a) One hundred percent (100%) of F10H's Additional Costs up to Five Hundred Thousand Dollars (\$500,000), plus eighty percent (80%) of F10H's Additional Costs which exceed Five Hundred Thousand Dollars (\$500,000) (if any) up to a maximum total payment for Additional Costs of Six Hundred Thousand Dollars (\$600,000); and
- b) One hundred percent (100%) of F10H's Lost Revenue up to Eight Hundred Fifty Thousand Dollars (\$850,000), plus for any Lost Revenue which exceeds Eight hundred Fifty Thousand Dollars (\$850,000), sixty-five percent (65%) of Lost Revenue in the category of Advertising and fifty percent (50%) of F10H's Lost Revenue in other categories up to a maximum total payment for Lost Revenue of Two Million Dollars (\$2,000,000); and
- c) Fifty Thousand Dollars (\$50,000) per playoff game for rounds 1 and 2 and Sixty Thousand Dollars (\$60,000) per playoff game for rounds 3 and 4.

4. Relocation for Three or More Entire Seasons

While the City will endeavor to minimize relocation for more than two entire WNBA seasons, if the Premises are unavailable for the playing of Home Games for three or more WNBA seasons due to Redevelopment, the City shall pay F10H the following amounts for the third season and

any subsequent season of relocation in which the Premises are unavailable for ten (10) or more Home Games:

- a) One hundred percent (100%) of F10H's Additional Costs up to Five Hundred Thousand Dollars (\$500,000), plus ninety percent (90%) of F10H's Additional Costs which exceed Five Hundred Thousand Dollars (\$500,000) (if any) up to a maximum total payment for Additional Costs of Six Hundred Thousand Dollars (\$600,000); and
- b) One hundred percent (100%) of F10H's Lost Revenue up to Eight Hundred Fifty Thousand Dollars (\$850,000), plus for any Lost Revenue which exceeds Eight hundred Fifty Thousand Dollars (\$850,000), eighty-five percent (85%) of Lost Revenue in the category of Advertising and seventy-five percent (75%) of F10H's Lost Revenue in other categories up to a maximum total payment for Lost Revenue of Two Million Dollars (\$2,000,000).
- c) Fifty thousand dollars (\$50,000) per playoff game for rounds 1 and 2 and sixty thousand dollars (\$60,000) per playoff game for rounds 3 and 4.

5. Relocation Payment Cap

The City's obligation to pay F10H for Additional Costs and Lost Revenue due to relocation shall be capped at \$260,000 per Home Game up to ten (10) games per season, and up to \$2.6 Million per season, with the exception of payments for playoff games during dislocation. Payments for playoff games during relocation are in addition to the payments for Additional Costs and Lost Revenue and are paid at flat rate fees established in preceding paragraphs, and shall not count towards the cap.

6. Timing of Relocation Payments

Relocation Payment(s) for Additional Costs & Lost Revenue for partial and/or full season shall be submitted and settled annually per terms outlined in XII.C. Annual Reconciliation and through the process in Section XXVII.E.

E. Process for Determination of Relocation Payments

F10H shall submit its claim for any relocation payments due under Section XXVII at the time it submits its annual report under Section XII.C, unless another date is mutually agreed upon by the Parties. F10H shall provide the Director with F10H's total claim for Additional Costs and Lost Revenue, and shall include a report itemizing in reasonable detail F10H's calculation of its Average Cost (on a per game or per season basis, as applicable), Additional Costs and Lost Revenue. Within thirty (30) days, the Director shall respond and may either accept or deny the claim in whole or in part. If the Director denies the claim or any part, the parties may continue to negotiate and exchange information in order to resolve the matter. If the Parties are unable to agree upon the amount of relocation payments to F10H within sixty (60) days following F10H's submission of the claim, or such later date as may be mutually agreed upon, either party may elect to submit the matter to mediation by providing written notice to the other, and the Parties shall follow the dispute resolution process under Section XXII.

F. Comparable Premises After Any Redevelopment

Upon completion of the Redevelopment, the City shall provide FH10 with use of those portions of the Premises reasonably necessary to provide F10H with equivalent operational and revenue value for playing of Home Games. The Parties shall cooperate as necessary to amend this Agreement as necessary in order to accurately describe the renovated Premises made available to F10H for the uses and purposes provided under this Agreement.

G. Liquidated Damages; Exclusive Remedy

The Parties agree that the costs associated with the intangible impacts of Redevelopment and the City's reserved rights under this Section XXVII may be difficult to calculate and that it is mutually beneficial to agree in advance upon the fair and reasonable measurement of damages F10H may incur and for which the City will be responsible. Accordingly, the payments provided for in this Section XXVII are in the nature of liquidated damages and are not intended as a penalty. Additionally, the payments in Sections XXVII.C and D are the exclusive remedy and full and total damages the City will be obligated to pay F10H for relocation and impacts to F10H resulting from Redevelopment of KeyArena or any relocation of Home Games required as a result of either Redevelopment or schedule conflicts during Bumbershoot.

H. Revenue Share; Mitigation

Nothing in this Section XXVII is intended to replace or amend the City's obligation to pay F10H its Lost Opportunity and Intangible Relocation Impact fee under Section XXVII.C; however, the City's payment of the Lost Opportunity and Intangible Relocation Impact fee under Section XXVII.C shall not be included in the definition of Revenue for the purposes of calculating Lost Revenue. This Section XXVII does amend the City's obligation to pay F10H its Revenue Share under Section X.E. For any partial season during which the Premises are not available for Home Games as a result of Redevelopment and a per game relocation payment is made under Section XXVII D.2., for that part of the season that Home Games are played in KeyArena or the redeveloped KeyArena, the City shall pay F10H a pro rated Revenue Share based on the number of Home Games actually played at KeyArena. For example only, if the Revenue share is \$340,198 and the season includes 20 Home Games comprised of one pre-season game, 17 regular games, two post-season games and no All-Star games, and one pre-season and 10 regular games are played in KeyArena, the Revenue Share will be 11/20 of \$340,198 or \$187,109. For the remainder of the partial season the City shall not pay the F10H Revenue Share, however the F10H Revenue Share paid in prior seasons shall be included for purposes of determining F10H's average Revenue for Home Games at KeyArena.

For any entire Season during which the Premises are not available for playing Home Games as a result of Redevelopment, the City shall not pay the F10H Revenue Share, however the F10H Revenue Share paid in prior seasons shall be included for purposes of determining F10H's average Revenue for Home Games at KeyArena. Nothing in this Section XXVII is intended to modify or reduce F10H's duty to mitigate damages in the event the City is unable to deliver the Premises for any Home Game, and F10H will make commercially reasonable efforts to maximize Revenue and minimize costs at an alternative venue. Nothing in this Section XXVII is intended to obligate the City to pay for Additional Costs or Lost Revenue which are not documented.

XXVIII. MISCELLANEOUS PROVISIONS

A. Captions

The titles of Sections are for convenience only and do not define or limit the contents.

B. Amendments

No modification or amendment of the provisions of this Agreement shall be effective unless written and signed by an authorized representative of each of the parties hereto. The parties hereto expressly reserve the right to modify this Agreement from time to time by mutual agreement.

C. Remedies Cumulative

Rights under this Agreement are cumulative; any failure to exercise on any occasion any right shall not operate to forfeit such right on another occasion. Each party shall also have any other remedy given by the law. The use of one remedy shall not be taken to exclude or waive the right to use another, unless expressly provided otherwise elsewhere in this Agreement.

D. No Waiver

No action, other than a notice by one party to the other specifically stating that such notice has the effect of a waiver, shall constitute a waiver of any particular breach or default of such other party, and only the Director, personally, shall be authorized to provide such a notice for or on behalf of the City. Any notice of waiver is to be strictly construed and will not waive F10H's failure to fully comply with any other term, condition, or provision of this Agreement not expressly waived, irrespective of any knowledge any City officer, employee, or agent may have of any breach or default of, or noncompliance with, such other term, condition, or provision. No waiver of full performance by either party shall be construed, or operate, as a waiver of any subsequent Default of any of the terms, covenants and conditions of this Agreement. The payment or acceptance of fees or charges for any period after a Default shall not be deemed a waiver of any right, nor deemed an acceptance of defective performance.

E. Limited Effect of Approval by Director

Action of the Director pursuant to or in implementation of this Agreement does not constitute any official action by any other City department or official that may be required by law, City Charter, ordinance, rule or regulation before F10H may rightfully commence, suspend, enlarge, or terminate any particular undertaking.

F. No Relationship

In no event shall the City be construed to be a partner, associate, joint venturer of F10H, or any party associated with F10H, with respect to the undertakings authorized by this Agreement. F10H is not an agent of the City for any purpose whatsoever hereunder. The F10H shall not create any obligation or responsibility on behalf of the City or bind the City in any manner.

G. Power of City

Nothing contained in this Agreement shall be considered to diminish the governmental or police powers of the City.

H. Binding Effect

The provisions, covenants and conditions of this Agreement apply to bind the parties, their legal representatives, successors, and assigns.

I. Invalidity of Particular Provisions

Should any term, provision, condition or other portion of this Agreement or the application thereof be held to be inoperative, invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable shall not be affected thereby and shall continue in full force and effect.

J. Applicable Law; Venue

This Agreement shall be construed under the Law of the State of Washington. Venue for any action brought hereunder shall be in the Superior Court for King County, Washington.

K. Assignment by City

The City may assign some or all of its obligations or rights hereunder to a Third Party Management Company, but such assignment will not relieve the City of any of its obligations to F10H under this Agreement.

L. Incorporation of Exhibits; Entire Agreement

The following exhibits are incorporated and made a part of this Agreement:

Exhibit 1. Exclusive Use Areas and Premises Licensed for Use

Exhibit 2. Insurance

This Agreement, including the exhibits, as well as the periodic use date endorsement notices issued by the City, all of which, by this reference, are incorporated herein, constitute all of the covenants, promises, agreements, and conditions between the parties regarding the terms and conditions of F10H's use of the KeyArena under this Agreement.

XXIX. NOTICES

Any notices or communication to be given by one party to the other under this Agreement must be in writing, which shall include electronic communication if receipt is verified by both parties. Such notices or communications shall be delivered or sent to the following respective addresses, or to such other addresses as the parties from time to time may specify in writing:

If to the City:
Seattle Center Director
The City of Seattle
305 Harrison Street
Seattle, WA 98109

If to F10H:
F10H President & GM
Seattle Storm
3421 Thorndyke Ave W
Seattle, WA 98119

XXX. INFLATION ADJUSTMENT

Other than with regard to the License Fee in Section XI.A which shall be adjusted as provided therein, dollar amounts set forth in this Agreement shall, where specified, be periodically adjusted for inflation (each such adjustment an "Inflation Adjustment") using an adjustment factor that is equal to the percentage increase (if any) in the CPI Index published for the latest month prior to the date on which the Inflation Adjustment is being made over the CPI Index published for the latest month prior to the date of this Agreement. As used in this Agreement, the term "CPI Index" shall mean the Consumer Price Index for Seattle-Tacoma-Bremerton, WA, All Urban Consumers, All Items, published every other month by the United States Department of Labor, Bureau of Labor Statistics, in which 1982-84 equals 100. The CPI Index for any month shall be deemed to be the latest version of the CPI Index that is published as of the date on which the Inflation Adjustment is made. If the CPI Index is hereafter converted to a different standard reference base or is otherwise revised, Inflation Adjustments shall thereafter be made with the use of such conversion factor, formula or table for converting the CPI Index as may be published by the Bureau of Labor Statistics or, if said Bureau shall not publish the same, then with the use of such conversion factor, formula or base as may be published by Prentice Hall, Inc., or, failing such publication, by any other nationally recognized publisher of similar statistical information. In the event the CPI Index and/or a conversion factor shall cease to be published, then, for the purposes of this Agreement, there shall be substituted such other inflation index as City shall select in order to obtain substantially the same result as would have been obtained if the CPI Index had not been discontinued or revised.

[Next page for signatures]

EXHIBIT 1
EXCLUSIVE USE AREAS AND PREMISES LICENSED FOR USE

<u>ROOM NAME</u>	<u>ROOM NUMBER(S)</u>
Basketball Home Locker Room	E17B
Weight Room	E18A
Coaches Offices (3)	E16C, E16D, E 16H
Medical Room	E18C, E19B, E17G
Main Locker Room	E17C
Sauna	E15F
Showers and Steam Room	E15H, E15F
Laundry Room	E15C
Video Room	E16E
Storage Closet NW Corner	E18E, E19E
Storage Closet West Hallway	E17D
1/3 of Storage Cage behind Level 3 Merchandise Stands Inside	M14E & M29E
Storage Closet, East Hallway	E30F
Media Room Office	L13H, L14C

Maps attached.

Seattle Municipal Code Chapter 20.47

Chapter 20.47 CONTRACTING—PROFESSIONAL SPORTS ORGANIZATIONS

20.47.010 Consideration.

Consideration for the value of goods, services, real property or facilities provided or leased by the City of Seattle to for-profit professional sports organizations or to any other public entity, or non-profit organization, which may in turn provide such goods, services, real property or facilities to a for-profit professional sports organization, must be at or above the fair value of the goods, services, real property or facility being provided or leased.

(Ord. 122357, 2006.)

20.47.020 Fair Value—Definition.

Fair value is defined herein as no less than the rate of return on a U.S. Treasury Bond of thirty years duration at the time of inception of any such provision of goods or services, real property or lease; and further, such return shall be computed as the net cash on cash return, after interest and any financing costs, on the depreciated value of the cash investment of the City of Seattle in such goods, services, real property or facility, and shall exclude all intangible, indirect, non-cash items such as goodwill, cultural or general economic benefit to the City, and shall also exclude unsecured future cash revenues.

(Ord. 122357, 2006.)

20.47.030 Non-Profit Organizations.

Nothing in this Chapter 20.47 shall prevent the leasing or providing of goods, services, real property or facilities to not-for-profit organizations, other than as limited by Section 20.47.0 10 above, for the direct benefit of the health, welfare, or safety of the people of the City of Seattle.

(Ord. 122357, 2006.)

20.47.040 Washington State Grant of Authority.

Notwithstanding any of the language contained in Sections 20.47.010 through 20.47.030 of this Chapter 20.47, nothing in this Chapter shall be interpreted or applied so as to limit or restrict any Washington State legislative or constitutional grant of power to the legislative authority or other officer of the City of Seattle, and the reach of this Chapter 20.47 is expressly circumscribed and limited by any such legislative or constitutional grant of power.

(Ord. 122357, 2006.)

20.47.050 Violations—Injunctive Relief.

Any resident of the City of Seattle shall, by virtue of his/her status as a taxpayer in the City, have legal standing to challenge, in King County Superior Court, any act, lease, ordinance, or resolution taken, entered into, or enacted by the City of Seattle which allegedly violates this Chapter 20.47, within ninety (90) days of such act, lease, ordinance or resolution; such a resident

shall be entitled to injunctive relief preventing said act, lease, ordinance, or resolution from becoming effective, without the necessity of any bond being posted, so long as the elements necessary to obtain injunctive relief pursuant to RCW 7.40.020 are established to the satisfaction of the Court.

(Ord. 122357, 2006.)

20.47.060 Severability.

If any provision of this Chapter 20.47 or its application to any person or circumstance is held invalid, the remainder of this Chapter or the application of the provision to other persons or circumstances shall not be affected.

(Ord. 122357, 2006.)