
AMENDED AND RESTATED

BALLPARK OPERATIONS AND LEASE AGREEMENT

BETWEEN THE

**WASHINGTON STATE MAJOR LEAGUE BASEBALL STADIUM
PUBLIC FACILITIES DISTRICT**

AND

THE BASEBALL CLUB OF SEATTLE, LLLP

Dated: December 10, 2018

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**AMENDED AND RESTATED
BALLPARK OPERATIONS AND LEASE AGREEMENT**

THIS AMENDED AND RESTATED BALLPARK OPERATIONS AND LEASE AGREEMENT (this “Agreement”) dated December 10, 2018 and effective January 1, 2019 (the “Effective Date”) is made by and between the Washington State Major League Baseball Stadium Public Facilities District, a Washington municipal corporation and special purpose district (the “PFD”), and The Baseball Club of Seattle, LLLP, a Washington limited liability limited partnership (the “Club”).

RECITALS

A. The PFD and the Club entered into that certain “Ballpark Operations and Lease Agreement” in 1996, as amended by that certain first amendment dated January 22, 1997 and by that certain second amendment dated September 22, 1999 (as amended, the “Original Lease”).

B. The term of the Original Lease expires as of December 31, 2018.

C. The PFD and the Club desire to enter into this Agreement to amend and restate the Original Lease in its entirety and to extend the Original Lease term, subject to the terms and conditions set forth herein.

NOW, THEREFORE, intending to be legally bound hereby, and for good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

AGREEMENT

**ARTICLE 1
DEFINITIONS**

1.1 Definitions. As used in this Agreement, the following terms shall have the following meanings:

“Additional Notice” is defined in Section 17.4.3.

“Admissions Tax” means the tax on Ballpark admissions authorized by RCW 36.38.010.

“ADR” is defined in Section 21.3.

“All Risk” is defined in Section 9.1.

“Annual CapEx Contribution” is defined in Section 7.3.3.

“Applicable Law” means all present and future laws, statutes, regulations, ordinances, resolutions and orders of any Governmental Authority applicable to the Leased Premises and the Parties.

“Applicable Rate” means the prime rate as announced by Bank of America, N.A. or its successor on the date the relevant payment hereunder is due.

“Applicable Standard” means operating, maintaining, repairing, re-equipping and improving the Ballpark and each and all of the major systems and components thereof, examples of which are set forth in Exhibit A, in a first class manner, in good order and safe condition, and, subject to the following sentence, consistent in all material respects with a majority of the Reference Ballparks at any given time the Applicable Standard is applied, without regard to any one particular aspect of a single ballpark. Notwithstanding anything to the contrary in this Agreement, the Club shall be excused from performing any item of CapEx Work otherwise required to cause the Ballpark to be consistent with the Applicable Standard if such item of CapEx Work (a) is not physically possible, using customary, industry-standard construction techniques or practices, due to: (i) the Ballpark’s age, design, structural integrity, or construction, (ii) Site constraints including, but not limited to, geotechnical considerations, the water table, ownership of air rights and easement restrictions, (iii) legal constraints pursuant to Applicable Law; or (iv) inability to obtain the required Permits and Approvals, notwithstanding the Club’s best efforts to obtain the same; or (b) for Upgrade Improvements only, would require (i) demolishing and rebuilding the Ballpark; (ii) major additions or alterations to the foundation or other structural elements of the Ballpark; (iii) the Ballpark to be unusable for four (4) or more consecutive Home Games, notwithstanding the implementation of phased construction scheduling; or (iv) moving the foundation, exterior structural walls or other exterior structural elements of the Ballpark.

“B&D Report” means the 2016 B&D Venues/Populous “Safeco Field Long-Term Capital Needs Assessment” and 2018 update of the same.

“Ballpark” means the MLB stadium owned by the PFD and located on the Site.

“Ballpark Derived Revenues” means all revenues derived from operation of the Leased Premises and any events or activities scheduled therein (but specifically excluding tax revenues received by the PFD or any other Governmental Authority), including, but not limited to: ticket proceeds; food and beverage sales; souvenir, apparel and merchandise sales; sale or licensing of naming rights; trademark rights or copyrights pertaining to the Ballpark; marquee rights; sale of advertising; suite and club seat rental and/or licenses; proceeds from the Parking Facility; restaurant or retail proceeds and/or rental; revenue from broadcasting or other reproductions of events; and revenues derived from subcontracting or subleasing the Leased Premises for other events or uses.

“Ballpark Likenesses” is defined in Section 11.3.

“Ballpark Management Plan” is defined in Section 6.1.2.

“Ballpark Neighborhood Improvement Fund” is defined in Section 15.4.

“Ballpark Obligations” is defined in Section 8.1.1.

“Bankruptcy Code” is defined in Section 17.4.7.

“Bankruptcy Proceedings” is defined in Section 19.1(f).

“Base Rent” is defined in Section 5.1.1.

“Base Revenues” is defined in Section 5.2.2(i).

“BOC” means the Office of the Commissioner of Baseball, an unincorporated association comprised of the Major League Clubs that are party to the Major League Constitution, and any successor organization thereto.

“CapEx Expenses” is defined in Section 7.1.

“CapEx Fund” means that certain capital reserve fund to be created and funded as described in Article 7 to pay for CapEx Work.

“CapEx Work” is defined in Section 7.1.

“CapEx Work Plan” is defined in Section 6.1.2.

“Catastrophic Damage” is defined in Section 7.8.1.

“CenturyLink Field” means the multipurpose stadium and exhibition center located at 800 Occidental Avenue South, Seattle, Washington.

“Championship Season” means in any given Lease Year the regular season defined by MLB as the games that count toward league standings for that year, currently consisting of 162 games, but specifically excluding any pre-season (including, without limitation, Spring Training), Postseason, All Star or World Baseball Classic games. Championship Seasons are sometimes referred to herein by the calendar year in which they are played (e.g., “2019 Championship Season”).

“City” means the City of Seattle, Washington.

“Club” means The Baseball Club of Seattle, LLLP, a Washington limited liability limited partnership.

“Club Creditable Contributions” is defined in Section 7.4.4.1.

“Club Default” is defined in Section 19.1.

“Club Indemnified Party” or “Club Indemnified Parties” is defined in Section 23.16.2.

“Club’s Damage Notice” is defined in Section 7.8.2.

“Clubhouse” is defined in Section 20.2.

“Commissioner” means the Commissioner of Baseball as elected under the Major League Constitution or, in the absence of a Commissioner, any Person succeeding to the powers and duties of the Commissioner pursuant to the Major League Constitution.

“Concession Operations” is defined in Section 3.7.

“Condemnation” and “Condemn” are defined in Section 25.1.

“Controlling Interest” is defined in Section 16.1.

“Cooperation Agreement” means that certain “Restated Agreement on Event Scheduling Principles” dated February 9, 2009, entered into by and between the Club and First & Goal Inc., as may be amended from time to time.

“County” means King County, Washington.

“County Breach” is defined in Section 7.5.7.

“County Eligible CapEx Work” is defined in Section 7.5.5.

“County Tax Revenues” is defined in Section 7.5.1.

“County Tax Revenues Fund” is defined in Section 7.5.1.

“CPI” means the Consumer Price Index for All Urban Consumers (CPI-U), Seattle-Tacoma-Bellevue, All Items (1982-1984 = 100) issued by the Bureau of Labor Statistics of the United States Department of Labor. If the CPI-U ceases to use the 1982-1984 average equaling 100 as the basis of calculation, or if a change is made in the term or number of items contained in the CPI-U, or if the CPI-U is altered, modified, converted or revised in any other way, then the determination of the CPI Change shall be made with the use of such conversion factor, formula or table for converting such index as may be published by the Bureau of Labor Statistics. If the CPI-U is no longer published by the Bureau of Labor Statistics, then any substitute or successor index published by said Bureau or other governmental agency of the United States will be used, as shall be agreed upon by the PFD and the Club and, if agreement cannot be reached, the matter shall be subject to arbitration under Article 22.

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

“CWA” is defined in Section 15.6.2.

“Damage” means any occurrence or casualty constituting an incident of Catastrophic Damage or non-Catastrophic Damage as defined in Section 7.8.

“District Offices” means the approximately 1,200 square feet of office space within the Ballpark, as depicted on Exhibit B, occupied by the PFD for the exclusive use of PFD employees, directors, agents, independent contractors, representatives and invitees, together with related storage space.

“End of Term Sale of Club” is defined in Section 16.2.

“Estoppel” means that Estoppel Certificate and Recognition Agreement dated of even date herewith and entered into between the PFD and JPMorgan Chase Bank, NA.

“Estoppel Certificate” is defined in Section 23.17.

“Excess Revenues Fund” means the segregated fund established pursuant to the Original Lease to which were contributed admissions tax revenues in excess of the revenues required to pay off bonds issued for construction of the Parking Facility.

“Executive Council” means the Executive Council of Major League Baseball that is governed by the Major League Constitution, and any successor body thereto.

“Facility Assessment” means a comprehensive facility assessment, comparable to the B&D Report, as may be conducted from time to time pursuant to Section 6.7.

“Force Majeure” is defined in Section 23.4.

“Franchise” means the franchise granted to the Club by MLB (and, for the avoidance of doubt, includes the intellectual property rights granted to the Club in connection with such franchise).

“Governmental Authority” means any and all entities, courts, boards, agencies, commissions, offices, divisions, subdivisions, departments, bodies or authorities of any nature whatsoever of any governmental unit (federal, state, regional, county, city or otherwise) whether now or hereafter in existence, but specifically excluding the PFD.

“Independent Advisor” means a third-party advisor who is expert in (i) the design, construction, economics and/or operations of professional sports facilities, or (ii) an engineering discipline with significant experience pertaining to the subject inquiry, and who is mutually selected by the Parties on the basis of the relevant expertise required to resolve the dispute. If the Parties cannot agree on the selection of an Independent Advisor, each Party shall select a third-party advisor, and such third-party advisors shall mutually select the Independent Advisor.

“Initial CapEx Work Plan” is defined in Section 6.1.2.3.

“Insurance Trustee” is defined in Section 7.8.7.

“Insured Property” is defined in Section 9.1.

“Lease Year” means the twelve-month period commencing on January 1 and ending on December 31 of each year during the Term.

“Leased Premises” is defined in Section 2.1.

“Leasehold Estate” means the estate of the Club created by this Agreement upon and subject to all the terms and conditions of this Agreement.

“Leasehold Mortgage” means a mortgage, deed of trust and/or other security instrument or instruments by which the Club’s Leasehold Estate is mortgaged, conveyed, assigned or otherwise transferred, to secure a debt or other obligation.

“Leasehold Mortgagee” means a beneficiary under a deed of trust or a holder of a mortgage and/or other security instrument or instruments by which the Club’s Leasehold Estate is mortgaged, conveyed, assigned or otherwise transferred, to secure a debt or other obligation.

“License Agreement” is defined in Section 11.3.

“Local Buyer” is defined in Section 16.1.

“Maintenance” is defined in Section 3.2.2.

“Maintenance Expenses” is defined in Section 3.2.3.

“Maintenance Plan” is defined in Section 6.1.2.

“Major League Baseball” or “MLB” means, depending on context, any or all of (a) the BOC, each other MLB Entity and/or all boards and committees thereof, including, without limitation, the Executive Council and the Ownership Committee, and/or (b) the Major League Clubs acting collectively.

“Major League Baseball Club” or “Major League Club” means any professional baseball club that is entitled to the benefits, and bound by the terms, of the Major League Constitution.

“Major League Constitution” means the Major League Constitution adopted by the Major League Baseball Clubs (which amended and superseded the Major League Agreement dated January 1, 1975, the Agreement in re Major Leagues Central Fund dated as of December 8, 1983, as amended, and the respective constitutions of the former American and National Leagues of Professional Baseball Clubs) as the same may be amended, supplemented, or otherwise modified from time to time in the manner provided therein and all replacement or successor agreements that may in the future be entered into by the Major League Clubs.

“Mariners Care” means the Club’s non-profit foundation that supports various charitable community programs and activities in the Pacific Northwest.

“Minimum Available Amount” is defined in Section 7.7.

“Minimum Balance” is defined in Section 7.4.2.

“MLB Approval” means, with respect to the Major League Clubs, the Commissioner, the BOC or any other MLB Entity, any approval, consent or no-objection letter required to be obtained from such Person(s) pursuant to the MLB Rules (which may be conditioned or withheld in the sole and absolute discretion of such Person(s)).

“MLB Entity” means each of the BOC, Major League Baseball Properties, Inc., The MLB Network, LLC, MLB Advanced Media, L.P., Tickets.com, LLC and/or any of their respective present or future affiliates, assigns or successors.

“MLB Rules” means (a) MLB Governing Documents, (b) any present or future agreements or arrangements entered into by, or on behalf of, the BOC, any other MLB Entity or the Major League Baseball Clubs acting collectively, including, without limitation, agreements or arrangements entered into pursuant to the MLB Governing Documents, and (c) the present and future mandates, rules, regulations, policies, practices, bulletins, by-laws, directives or guidelines issued or adopted by, or on behalf of, the Commissioner, the BOC or any other MLB Entity as in effect from time to time, including, without limitation, the MLB Ownership Guidelines and MLB Securitization Guidelines. “MLB Governing Documents” means the following documents as in effect from time to time and any amendments, supplements, or other modifications thereto and all replacement or successor documents thereto that may in the future be entered into: (a) the Major League Constitution; (b) the Basic Agreement between the Major League Baseball Clubs and the Major League Baseball Players Association; (c) the Professional Baseball Agreement between the BOC, on behalf of itself and the Major League Baseball Clubs, and the National Association of Professional Baseball Leagues; (d) the Major League Rules (and all attachments thereto); (e) the Interactive Media Rights Agreement, effective as of January 20, 2000, by and among the BOC, the various Major League Baseball Clubs, MLB Advanced Media, L.P. and various other MLB Entities; and (f) each agency agreement and operating guidelines among the Major League Clubs and any MLB Entity, including, without limitation, the Amended and Restated Agency Agreement, effective as of January 1, 2013, by and among Major League Baseball Properties, Inc., the various Major League Clubs and the BOC (and the Operating Guidelines related thereto). “MLB Ownership Guidelines” means the “Memorandum re: Ownership Transfers – Amended and Restated Guidelines & Procedures” issued by the Commissioner on February 6, 2018, as the same may be amended, supplemented, or otherwise modified from time to time. “MLB Securitization Guidelines” means, collectively, the “Memorandum re: Securitization of Major League Club Assets” issued by the BOC on November 9, 2005 and the “Memorandum re: Securitization of Major League Club Assets - Amended and Restated Guidelines &

Procedures” issued by the BOC on November 11, 2016, in each case, as the same may be amended, supplemented, or otherwise modified from time to time.

“Necessary Improvements” means the items categorized as “Necessary Improvements” in the B&D Report.

“Neighboring Communities” means the International District, Pioneer Square and the SoDo neighborhoods.

“New Lease” is defined in Section 17.4.6.

“Non-Covered Amount” is defined in Section 7.8.4.

“Offices” is defined in Section 20.2.

“Operating Expenses” is defined in Section 3.2.3.

“Operating Permit Conditions” is defined in Section 3.5.

“Operating Standard” is defined in Section 3.2.1.1.

“Operations” is defined in Section 3.2.1.

“Operations Plan” is defined in Section 6.1.1.

“Original Lease” is defined in Recital A.

“Ownership Committee” means the Ownership Committee of Major League Baseball and any successor body thereto.

“Paid Admissions” is defined in Section 15.2.

“Panel” is defined in Section 22.3.1.

“Parking Facility” means, collectively, the parking garage adjacent to the Ballpark containing a minimum of 1,525 parking spaces and the surface parking lot with 165 parking spaces, as depicted on Exhibit D.

“Parking Tax” means the tax on Parking Facility charges authorized by RCW 36.100.220.

“Party” means either the Club or the PFD and “Parties” means the Club and the PFD collectively.

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

“Permitted Leasehold Mortgage” means those Leasehold Mortgages shown on Schedule 17.4 and any modifications, extensions or renewals thereof.

“Person” means any individual trust, estate, partnership (general or limited), limited liability company, joint venture, company, corporation, Governmental Authority, association or any other legal entity or business or investment enterprise.

“PFD” means the Washington State Major League Baseball Stadium Public Facilities District, a Washington municipal corporation and special purpose district created pursuant to Chapters 36.100 and 36.38 RCW and King County Ordinance 12000, which owns the Leased Premises.

“PFD CapEx Contribution” is defined in Section 7.3.5.

“PFD Creditable Contribution” is defined in Section 7.4.4.1.

“PFD Default” is defined in Section 19.5.

“PFD Indemnified Party” is defined in Section 23.16.1.

“PFD Operating Account” is defined in Section 5.1.3.

“PFD Operating Reserve Fund” is defined in Section 5.1.3.

“Plan Review Period” is defined in Section 6.2.

“Postseason” means all official MLB games between two Major League Baseball Clubs occurring after the end of a Championship Season and in the same calendar year as such Championship Season and which are considered by MLB to be part of its playoff system leading to and including the World Series championship (as MLB may change such system from time to time).

“RCW” means the Revised Code of Washington.

“Reference Ballparks” means the top one-third (or the number nearest to one-third) of all MLB ballparks that the Parties agree are (i) as of the Effective Date, those MLB ballparks identified in Exhibit C, and (ii) in the future, those MLB ballparks subsequently identified pursuant to Section 6.5.

“Rent” means Base Rent and Revenue Sharing and the Club’s Annual CapEx Contribution paid into the CapEx Fund and applied to CapEx Work.

“Reserve Letter of Credit” is defined in Section 7.7.

“Revenue Sharing” is defined in Section 5.2.2.

“Sale of Club” is defined in Section 16.1.

“Sale of Club Revenue Share” is defined in Section 16.3.

“Season” means all Major League Baseball Championship Season and Postseason baseball games played in any given year and excludes any pre-season games that are played prior to the commencement of the Major League Baseball Championship Season. Seasons are sometimes referred to herein by the calendar year in which they are played (e.g., “2019 Season”).

“Seattle Area” means King County, Snohomish County and Pierce County.

“Site” means the combined approximately nineteen- (19) acre parcels of land in the City, as depicted on Exhibit D and legally described on Exhibit E.

“State” means the State of Washington.

“Sublessee Nondisturbance Agreement” is defined in Section 17.2.

“Surplus Funds” is defined in the Original Lease.

“Taxes” means the taxes authorized to be imposed and collected pursuant to Chapter 36.100 RCW.

“Team Non-Relocation Agreement” means that certain Team Non-Relocation Agreement entered into between the PFD and Club simultaneously with this Agreement.

“Ten-Year Extension Term” is defined in Section 16.2.

“Term” means the term of this Agreement as set forth in Section 2.2, including any extension thereof pursuant to Section 2.3.

“Threshold Amount” is defined in Section 7.8.1.

“Upgrade Improvements” means capital improvements or additions to the Ballpark such as the concepts identified in the B&D Report or any other similar capital improvements or additions to the Leased Premises that may be planned in order to meet or exceed the Applicable Standard. Upgrade Improvements do not include Necessary Improvements.

“Waterfront LID” is defined in Section 20.1.

“Waterfront LID Assessment” is defined in Section 20.1.

“WMBE” is defined in Section 15.3.1.

ARTICLE 2 LEASED PREMISES AND TERM

2.1 Leased Premises. The PFD demises and leases to the Club, and the Club takes and leases from the PFD, the Site, the Ballpark (including all restaurants, office and clubhouse space, concession and retail space), the Parking Facility, and, to the extent the PFD has rights thereto, grants to the Club a license to use all easements and appurtenances belonging to or in any way pertaining thereto, including rights, privileges, easements and appurtenances in, to, over or under adjacent streets, sidewalks, alleys, railroad tracks and property contiguous to the Site (collectively, the “Leased Premises”). The Club accepts the Leased Premises in their “as-is” condition, and the Parties acknowledge and agree that as of the Effective Date, the Ballpark is a first class MLB stadium that meets the Applicable Standard, and for which the Applicable Standard is appropriate and reasonable.

2.2 Term. Subject to the specific terms of this Agreement providing for earlier termination, the term of this Agreement shall commence on the Effective Date and shall continue through and expire on December 31, 2043.

2.3 Renewal Periods. The Club may extend the Term of this Agreement for up to two (2) renewal periods, each with a term of three (3) Lease Years, on the same terms and conditions as set forth herein, provided the Club is not in default under this Agreement, either at the time the Club makes such election or at the time the applicable extension term would otherwise commence, beyond any applicable notice and cure period. The Club shall exercise such option, if at all, by giving written notice of exercise

thereof to the PFD not less than two (2) years in advance of the expiration of the then-current Term of this Agreement.

ARTICLE 3 REVENUES; OPERATIONS AND MAINTENANCE

3.1 Revenues and Scheduling. Subject to the provisions of this Agreement, the Club shall have the right to receive and retain all Ballpark Derived Revenues. The Club shall control the scheduling and use of the Leased Premises for all baseball and non-baseball events, except as specifically provided herein.

3.2 Operations and Maintenance.

3.2.1. Club Operations Obligations. The Club is solely and exclusively responsible for performing Operations at the Leased Premises. “Operations” means the routine and regular provision of all labor, materials, utilities and other services required to use, operate and manage the Leased Premises, and shall include but not be limited to the following elements: (i) engaging 24-hour security operations for the Leased Premises; (ii) staffing the Leased Premises during events (other than PFD meetings described in Section 3.6); (iii) scheduling, presenting and promoting baseball and non-baseball events; (iv) managing Concession Operations; (v) managing event parking and traffic; (vi) managing overall fan experience in the Ballpark; and (vii) managing all other Operations of the Leased Premises.

3.2.1.1. Operating Standard. The Club shall perform Operations at the Leased Premises in a first class, professional, businesslike and efficient manner, consistent with the manner in which other first class, top-tier MLB ballparks are operated (the “Operating Standard”), in conformance with the Operations Plan.

3.2.2. Club Maintenance Obligations. The Club is solely and exclusively responsible for performing Maintenance of the Leased Premises. “Maintenance” means the routine and regular provision of all labor, materials, utilities and other services for: (i) performing all preventive or routine non-capitalized maintenance, including that which is stipulated in operating manuals for the Leased Premises (and the equipment, fixtures and systems therein) as regular, periodic maintenance procedures; (ii) conducting regular non-capitalized maintenance for all Ballpark systems, including the HVAC, electrical, plumbing and mechanical, technology infrastructure, vertical transportation, and retractable roof; (iii) performing groundskeeping and routine maintenance of the surface of the playing field, including mowing, seeding, fertilizing, drainage system components, marking lines, installing and removing bases and the pitcher's mound; (iv) keeping all portions of the Leased Premises clean and free from debris; (v) performing touch-up or limited painting as non-capitalized routine or preventive maintenance; (vi) readying the existing playing field for the upcoming Season; and (vii) performing all other non-capitalized routine repair and replacement of the Leased Premises, all subject to normal wear and tear, Catastrophic Damage and Condemnation. The Club shall perform Maintenance of the Leased Premises in compliance with the Maintenance Plan and Applicable Standard.

3.2.3. Operations Expenses and Maintenance Expenses. The Club is solely and exclusively responsible for and shall pay all costs and expenses associated or incurred in connection with performing (i) Operations (the “Operating Expenses”), and (ii) Maintenance (the “Maintenance Expenses”) of the Leased Premises. The Club covenants and agrees to provide sufficient funding to satisfy these obligations and acknowledges and agrees the PFD shall have no liability for the performance or cost and expense of any Operations or Maintenance.

3.3 Delegation of Operations, Maintenance and CapEx Work. The PFD acknowledges that the Club shall have the right to delegate performance of its Operations, Maintenance and CapEx Work obligations to a wholly-owned subsidiary of the Club, or to an affiliate controlled by or under common control with the Club, provided that (i) the Club promptly notifies the PFD of such delegation, (ii) the Club shall not be released from liability to the PFD under this Agreement for the performance of all such duties and (iii) the Club shall be responsible for ensuring that Operations are performed consistent with the Operations Plan and Operating Standard and that Maintenance and CapEx Work are performed consistent with the Ballpark Management Plan and Applicable Standard. This delegation shall in no manner limit the Club's duty to indemnify the PFD Indemnified Parties under Section 23.16.1.

3.4 Outsourcing of Operations and/or Maintenance Duties. The Club (or its affiliate or subsidiary, pursuant to Section 3.3 above) may outsource its Operations and/or Maintenance duties to a third-party operator, subject to the PFD's approval, which approval shall not be unreasonably withheld, conditioned or delayed, provided the third-party operator has at least ten (10) years' experience operating and maintaining at least five other MLB ballparks, National Football League stadiums, or National Basketball Association or National Hockey League arenas. The Club shall not be released from liability to the PFD under this Agreement for any such outsourced Operations and/or Maintenance work and shall remain responsible for ensuring that such outsourced services are performed consistent with the Club's obligations under this Agreement. The Club's outsourcing of Operations and/or Maintenance duties shall in no manner limit the Club's duty to indemnify the PFD Indemnified Parties under Section 23.16.1.

3.5 Permits and Approvals. The Parties acknowledge and agree that the Club is responsible for obtaining all necessary Permits and Approvals with respect to the use, management, Operations and Maintenance of the Leased Premises, and for complying with all ongoing conditions related to such Permits and Approvals, including but not limited to the Ballpark Master Use Permit (No. 9600329), Street Vacation (C.F. 301511), and Term Permit (Ord. No 118367) conditions (the "Operating Permit Conditions"). The Club shall be solely and exclusively responsible for the performance and payment of the Operating Permit Conditions during the Term and for obtaining all Permits and Approvals required therefor. The Club covenants and agrees to provide sufficient funding to satisfy the obligations set forth in this Section 3.5. The PFD shall reasonably cooperate with the Club's efforts to obtain, modify or extend such necessary Permits and Approvals, consistent with the Club's use, management, Operations and Maintenance rights and obligations under this Agreement, including promptly executing required applications and documentation.

3.6 District Offices and Use of Ballpark.

3.6.1. District Offices. The PFD hereby reserves the right to exclusively use the District Offices. The location of the District Offices shall only be changed with the approval of both Parties, which approval shall not be unreasonably withheld. The PFD shall not display any advertising signage promoting any third party anywhere within or about the District Offices that is visible outside the District Offices without written approval of the Club, which approval shall not be unreasonably withheld, conditioned or delayed.

3.6.2. Conference Facilities. The Club shall provide the PFD with reasonable access to conference rooms at the Ballpark for use in the conduct of the PFD's business. Such access may be subject to reasonable restriction during events in the Ballpark, or to protect confidentiality of Club information. The Club will endeavor to provide the PFD with the opportunity to schedule necessary conference room space on a first-come, first-served basis, subject to established Club scheduling practices which have been provided in writing by the Club to the PFD and exceptional priority needs of the Club. The PFD will use its best efforts to utilize the Ballpark concessionaire designated by the Club to the extent such use is commercially

reasonable for any food and beverages to be served within the conference rooms, at PFD expense, and comply with other Club rules and regulations generally applicable to users of such space which have been provided in writing by the Club to the PFD.

3.6.3. Public Meeting Facilities. The Club shall provide the PFD with reasonable access to public meeting space at the Ballpark for PFD-related meetings, including public meetings. Such meetings shall be scheduled at hours when events are not otherwise scheduled to be held in the Ballpark. The Club will provide the PFD with the opportunity to schedule necessary public meeting space on a first-come, first-served basis, subject to established Club scheduling practices which have been provided in writing by the Club to the PFD and exceptional priority needs of the Club. The PFD will use its best efforts to utilize the Ballpark concessionaire designated by the Club for any food and beverages to be served within the public meeting space, at PFD expense, and comply with other Club rules and regulations generally applicable to users of such space and which have been provided in writing by the Club to the PFD.

3.6.4. Parking Spaces. The PFD shall have access to five (5) unassigned parking spaces in the Ballpark parking garage, without cost, for its use during normal business hours (7:00 am to 5:30 pm, Monday through Friday). The Club will endeavor to make additional parking in the Ballpark parking garage available to the PFD and its invitees at the then applicable public rates, subject to reasonable restriction during events in the Ballpark or CenturyLink Field.

3.6.5. Access. The PFD, its employees, directors, agents, independent contractors, representatives and invitees shall have such access to the District Offices as is reasonably necessary and appropriate for the conduct of all of the PFD's operations and affairs. The Club's security system and parking plan shall be administered so as not to unreasonably interfere with ingress to and egress from the District Offices by any of the above-listed individuals. The Club may place reasonable limitations on access and movement in areas of the Ballpark other than the District Offices during events or as otherwise necessary for Club operations.

3.6.6. No Rent. The PFD shall not be required to pay the Club any rental fee for the PFD's use of the District Offices and any conference rooms or public meeting space in the Ballpark. The PFD shall not be required to pay or reimburse the Club for any operating costs incurred by the Club with respect to electricity, heating, air conditioning, water, sewer use, or ordinary security requirements resulting from the PFD's use of the District Offices and any conference rooms or public meeting space in the Ballpark.

3.6.7. Other Costs. The PFD shall reimburse the Club for the direct incremental operating costs incurred by the Club with respect to janitorial service (including trash collection and removal), extraordinary security and traffic control requirements, telephone service or cable television service resulting from the PFD's use of the District Offices and any conference rooms or public meeting space in the Ballpark. The amount of reimbursement shall equal the actual out-of-pocket cost incurred by the Club. The reimbursement shall be payable on the fifth (5th) day of each month for services incurred during the preceding month, provided that such monthly amounts are invoiced to the PFD at least twenty (20) days in advance, accompanied by reasonable written documentation of the amount requested. The Parties may agree on providing other facilities and/or services and the appropriate reimbursement therefor, in their sole discretion.

3.6.8. Improvements to District Offices. The PFD shall be responsible for providing any furnishings and/or equipment for the District Offices from PFD operating funds. No alterations to the District Offices shall be made by the PFD without first obtaining the Club's prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed. The Club shall have no right to alter or modify the District Offices.

3.6.9. Transfer. Except for the uses permitted by this Section 3.6, the PFD's rights under this Section 3.6 shall be personal to the PFD and shall not be assigned, sublet or otherwise transferred except to a successor to the PFD's interest under this Agreement.

3.7 Concession Operations. During the Term, and subject to Sections 19.2 and 19.3, the Club shall have sole and exclusive rights everywhere on the Site with respect to food and beverage sales and operations, catering and banquet sales and service, restaurant sales and operations, and the presentation and sale of souvenirs, apparel and merchandise (collectively, "Concession Operations"). The Club shall be responsible for securing or ensuring that any subcontractor or concessionaire secures all Permits and Approvals relating to the Concession Operations and performs in accordance with the Operating Standard. The Club's rights with respect to Concession Operations on the Site shall include the right to select one or more concessionaires, in its sole and absolute discretion, for all events held at the Leased Premises or to manage any portion of Concession Operations itself, to negotiate and enter into agreements with such concessionaire(s), to administer such concession agreements, and to retain all associated revenue. Consistent with Section 17.2, all such concession agreements shall terminate upon the termination of this Agreement. The Club shall have the sole and exclusive right to make all management and operational decisions with respect to Concession Operations, including, without limitation, the right to determine the prices, types, brands and, subject to the provisions of Article 10, marketing of all products sold on the Site. The PFD shall not itself sell or display clothing, novelties, souvenirs, food, beverages, candy and similar items or products anywhere within the Site.

3.8 Parking. The Club shall operate the Parking Facility, either through its own personnel or through a third party of its choosing, and shall have complete discretion to make all management and operational decisions with respect thereto, including, without limitation, decisions relating to parking fees, assignment of spaces, security, personnel and hours of operation. The Club shall be entitled to retain all revenues derived from the Parking Facility.

ARTICLE 4 CENTURYLINK FIELD AND NEIGHBORING COMMUNITY COOPERATIVE OBLIGATIONS

The Parties agree that Club (a) should reasonably recognize and be sensitive to the Neighboring Communities with respect to Club's operation of the Ballpark; and (b) shall comply with (i) the Operating Permit Conditions; and (ii) the Cooperation Agreement and any other agreements made with respect to scheduling events that occur simultaneously with or on the same day as major events at CenturyLink Field, to the extent the same remain in effect. If the Operating Permit Conditions and the Cooperation Agreement are no longer in effect, the Club shall otherwise cooperate with all Governmental Authorities and the PFD in reasonably mitigating the adverse impacts on the Neighboring Communities of any major dual events, subject to MLB scheduling requirements.

ARTICLE 5 RENT AND ANNUAL REVENUE SHARING

5.1 Rent.

5.1.1. Base Rent. Commencing on the Effective Date, the Club shall pay the PFD a guaranteed minimum annual rent (“Base Rent”) of \$1,500,000 for each Lease Year during the Term. The Base Rent shall be adjusted in each succeeding Lease Year in proportion to the CPI Change from the previous Lease Year. The Base Rent shall be payable notwithstanding the occurrence of an event of Force Majeure.

5.1.2. Payment of Base Rent. In each Lease Year during the Term, fifty percent (50%) of the Base Rent shall be due and payable on or before March 1 of the Lease Year and the remaining fifty percent (50%) of the Base Rent shall be due and payable on or before August 1 of such Lease Year.

5.1.3. PFD Allocation of Base Rent. The Base Rent shall be deposited in an operating account held by the PFD (the “PFD Operating Account”), from which the PFD shall allocate funds first to pay the PFD’s operating expenses, including any installment payments of the Waterfront LID Assessment, then (to the extent remaining funds are available from such Lease Year’s Base Rent after payment of the PFD’s operating expenses and Waterfront LID Assessment) to make the PFD contribution to the CapEx Fund pursuant to Section 7.3.5. In the PFD’s sole discretion, after allocation of the funds set forth above, the PFD may disburse funds from the PFD Operating Account to: (i) a PFD operating reserve fund (the “PFD Operating Reserve Fund”), provided that the balance of such fund may not exceed \$3,000,000 (adjusted each Lease Year in proportion to the CPI Change from the previous Lease Year); (ii) the CapEx Fund; (iii) the Ballpark Neighborhood Improvement Fund; and (iv) fund any other item PFD is authorized by statute to fund.

5.2 Annual Revenue Sharing.

5.2.1. Generally. For each Lease Year from the Effective Date, the Club shall pay Revenue Sharing to the PFD.

5.2.2. Calculation of Revenue Sharing. “Revenue Sharing” means, with respect to each Lease Year, an amount calculated as follows:

- i. One and one-half percent (1.5%) of up to the first One Hundred Million Dollars (\$100,000,000) (as adjusted below, the “Base Revenues”) in baseball and non-baseball revenues subject to the Admissions Tax (or that would have been subject to the Admissions Tax as of the Effective Date, if such tax ceases to be levied), calculated in the same manner as the Admissions Tax is calculated as of the Effective Date, which Base Revenues shall be adjusted each Lease Year in proportion to the CPI Change from the previous Lease Year; plus
- ii. Two percent (2%) of the amount, if any, by which (x) all baseball and non-baseball revenues subject to the Admissions Tax (or that would have been subject to the Admissions Tax as of the Effective Date, if such tax ceases to be levied), calculated in the same manner as the Admissions Tax is calculated as of the Effective Date, exceeds (y) the Base Revenues.
- iii. For purposes of this Section 5.2.2, the Admissions Tax levied on revenues derived from the sale of tickets for Ballpark admission that are packaged or bundled with concessions, parking, merchandise or other

amenities, perquisites, goods or services shall be: (x) for admission packaged or bundled with food, the price of the ticket less the retail cost of the food reimbursed by the Club to a third-party vendor; otherwise, at the Club's sole discretion, either (y) 100% of the gross bundled ticket price, or (z) the average non-bundled, non-discounted, non-promotional admission price charged for that game or event for comparably located seats and sections, which seats and sections are in one of the following areas, as such terms are understood as of the Effective Date: 1) the 300 level; 2) suites; 3) Club seating; 4) the 100 level; 5) bleacher seats; and 6) general admission standing-only admission.

5.2.3. No Revenue Sharing Limits. The amount of Revenue Sharing paid annually to the PFD shall not be subject to any required minimum or maximum payment amount.

5.2.4. Payment of Revenue Sharing. Within thirty (30) days after the end of each month, the Club will deliver to the PFD a report including its calculation of the Revenue Sharing for the month then ended, together with its payment of any Revenue Sharing then due. Such analysis shall be accompanied by a statement certified as true and correct by the Club's Chief Financial Officer, showing with reasonable specificity all computations relating thereto and supporting and explaining the basis for the calculation.

5.2.5. Arbitration of Revenue Sharing. If, following verification and review by the PFD pursuant to Section 5.2.4, the Club and the PFD cannot agree on the amount of Revenue Sharing due with respect to the immediately preceding Lease Year, the Club and the PFD will then select, and evenly share the costs and expenses of, a nationally recognized independent certified public accounting firm to calculate Revenue Sharing, whose decision will be final. If, as a result of such calculation, it is determined that the Club underpaid or overpaid Revenue Sharing, an appropriate adjustment and payment or refund shall be made, and interest at the Applicable Rate shall be paid or refunded, accruing from the date of the initial payment.

5.2.6. Contribution of Revenue Sharing to CapEx Fund. The PFD shall deposit one hundred percent (100%) of all Revenue Sharing paid by the Club into the CapEx Fund at the end of the calendar month in which it is received, with no deduction or offset, in accordance with Section 7.3.5.

ARTICLE 6 BALLPARK PLAN SUBMITTAL; REVIEW

6.1 Club Submissions. By September 1 of each Lease Year (subject to Section 6.1.2.3), beginning in 2019, the Club shall prepare and submit to the PFD two plans, the "Operations Plan" and the "Ballpark Management Plan", that together set forth how, for the subsequent Lease Year, the Club will carry out its Operations in a manner consistent with the Operating Standard and its Maintenance and CapEx Work obligations in a manner consistent with the Applicable Standard.

6.1.1. Operations Plan. The "Operations Plan" shall comprise an annual budget, similar to budgets submitted under the Original Lease, and the following elements, all consistent with the Operating Standard:

- a. A schedule of events for the Leased Premises for the upcoming Season, including baseball and non-baseball events;

- b. Any modifications to the Club’s current policy for non-baseball use of or access to the Leased Premises, established pursuant to Section 13.1 and attached hereto as Exhibit F;
- c. Any modifications to the Club’s current advertising policy with respect to the Leased Premises, established pursuant to Section 10.1 and attached hereto as Exhibit G;
- d. A report of the Club’s activities and investments undertaken pursuant to Article 15 (Public Benefits) for the prior Lease Year and plan for the same that the Club will undertake during the subsequent Lease Year;
- e. Ballpark executive and operations organization charts;
- f. An alcohol operating plan, to the extent updated from the prior Lease Year;
- g. A transportation management plan with respect to the Leased Premises, including parking and traffic management plans, to the extent updated from the prior Lease Year; and
- h. Any modifications to the Club’s current security and emergency management plan for the Leased Premises, established pursuant to Section 6.6, provided, however, that, in order to protect any confidential third-party information from disclosure pursuant to the Public Records Act, representatives of the PFD may be required by Club to review the modifications at Club’s offices during reasonable business hours without provision for such representatives to make or request copies of any such documentation.

6.1.2. Ballpark Management Plan. The “Ballpark Management Plan” shall comprise (a) the “Maintenance Plan”; and (b) the “CapEx Work Plan”, as described below.

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

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

- a. An accounting of annual and cumulative costs and expenses borne by the Club for CapEx Work not reimbursed by either the CapEx Fund or County Tax Revenues Fund;
- b. An annual plan and budget for CapEx Work to be performed in the subsequent Lease Year and a rolling ten-year plan and budget for all CapEx Work to be performed within such ten-year period, including:
 - (i) identification and segregation of County Eligible CapEx Work;
 - (ii) Necessary Improvements to the extent applicable, and such similarly necessary improvements identified in any future Facility Assessment;

- (iii) the Club's anticipated Upgrade Improvements; and
- c. Such conceptual or schematic designs and other plans and information as the PFD may reasonably request. Subject to Section 6.2.2, the Club may submit the CapEx Work Plan without including such designs and plans if the same are not available when such plan is submitted, provided the Club submits such designs and plans promptly upon their availability.

6.1.2.3. To permit the Club to advance plans for CapEx Work requiring long lead times, the Club shall submit a provisional CapEx Work Plan no later than May 1 of each Lease Year (the "Initial CapEx Work Plan"), which shall not be considered part of the Ballpark Management Plan. The Initial CapEx Work Plan shall comprise only those items identified in Section 6.1.2.2(b) above. The PFD shall review and, provided the submission is consistent with Applicable Standard, provisionally approve the Initial CapEx Work Plan, subject in all respects to the PFD's final review and approval of such CapEx Work upon the Club's formal submission of the Ballpark Management Plan in September of each Lease Year, consistent with Sections 6.2 and 6.3.

6.1.3. 2019 Plan Submission. For Lease Year 2019 only, the Club shall be deemed to have met the submission requirements of this Section 6.1 for (x) the Operations Plan and Maintenance Plan, by submitting an Operations Plan and Maintenance Plan to the PFD prior to March 31, 2019, provided that until the PFD reviews the Operations Plan and reviews and approves the Maintenance Plan, in each case, the Club shall continue to perform Operations and Maintenance of the Leased Premises consistent with past practice and with the requirements of Section 3.2; and (y) the CapEx Work Plan, as evidenced by the PFD-approved CapEx Work for Lease Year 2019 set forth in Exhibit H.

6.2 Plan Review Timeframes .

6.2.1. The PFD shall have not less than sixty (60) days to review the Operations Plan and not less than sixty (60) days to review and approve the Ballpark Management Plan, subject to Section 6.2.2 and provided that the PFD shall have ninety (90) days to review and approve the Ballpark Management Plan when such plan has been submitted subsequent to identification of new Reference Ballparks pursuant to Section 6.5 or to completion of a new Facility Assessment pursuant to Section 6.7 (either period being the "Plan Review Period").

6.2.2. The Plan Review Period with respect to the CapEx Work Plan shall not commence until the PFD receives all materials requested pursuant to Section 6.1.2.2(c).

6.3 PFD Approval Rights and Limitations .

6.3.1. The Operations Plan shall be subject only to the PFD's review and comment and shall not be subject to the PFD's approval, except that Section 6.1.1(c) shall be governed by Article 13. The Parties expect that input and consultation between the Parties will occur informally and may continue on an ongoing basis. The Club will give reasonable good faith consideration to any input received from the PFD in reviewing and carrying out the Operations Plan. If the PFD believes that any element of the Operations Plan will cause the Club to fail to carry out its obligations in a manner consistent with the Operating Standard, and if consultation between the Parties does not resolve this concern, the PFD may submit the issue to the dispute resolution process set forth in Article 22.

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

6.3.2.1. If the PFD does not approve or disapprove the Ballpark Management Plan within the Plan Review Period, the Ballpark Management Plan shall be deemed approved by the PFD.

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

6.3.2.3. If the Club disputes the PFD's disapproval of all or any elements of the Ballpark Management Plan, it may submit such dispute to dispute resolution in accordance with the dispute resolution provisions set forth in Article 22, provided that the sole question presented to the Panel in such resolution process shall be whether the PFD unreasonably withheld its approval.

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

6.3.2.5. So long as the Ballpark Management Plan has been approved by the PFD, and provided there is no Club Default, the PFD shall not deny approval of the Club's Upgrade Improvements.

6.4 Modifications and Deviations. If, subsequent to the PFD's review of the Operations Plan or its review and approval of the Ballpark Management Plan, the Club believes materially modifying or deviating from any element of the Operations Plan or Ballpark Management Plan is necessary, the Club will advise the PFD of such proposed material modification or deviation, as applicable, and the PFD will then have the same opportunity to review and comment (with respect to the Operations Plan) or to review and approve (with respect to the Ballpark Management Plan) such modification or deviation that it had with respect to the originally submitted Operations Plan and Ballpark Management Plan, consistent with Section 6.3 above.

6.5 Applicable Standard Determination. In conjunction with submittal of the Ballpark Management Plan, commencing the sixth (6th) Lease Year of the Term and recurring every fifth Lease Year thereafter, the Parties shall reassess the Reference Ballparks, as set forth herein. The Club shall first propose a cohort of reference MLB ballparks for the PFD's review and approval. If the Club and the PFD do not agree as to the ballparks that shall constitute the Reference Ballparks for the subsequent five (5) Lease Years, the Parties shall refer the dispute to an Independent Advisor whose determination of the Reference Ballparks for such period shall be deemed conclusive and not subject to the Article 22 dispute resolution process. In determining the Reference Ballparks, the Parties, and Independent Advisor if applicable, shall consider: the standards and categories set forth on Exhibit A with respect to operation and maintenance; ballpark design and environs; external features; and fan experience. Upon determination of the Reference Ballparks for such period pursuant to this Section 6.5, Exhibit C shall be

supplemented or updated as necessary to reflect such determination, which supplement or update shall not constitute an amendment of this Agreement.

6.6 Security and Emergency Management Plan. The Club shall maintain and shall regularly update a security and emergency management plan for the Leased Premises, consistent with Applicable Law.

6.7 Facility Assessment Updates. Not later than the tenth (10th) Lease Year, nor later than every tenth Lease Year thereafter, the Club shall initiate, and the Club and PFD shall cooperate in commissioning, a Facility Assessment to update and inform the identification of CapEx Work necessary for the Ballpark to comply with the Applicable Standard. The Club shall select a firm to conduct the Facility Assessment that is expert in the design, construction, economics and operations of professional sports facilities, subject to the PFD's reasonable approval. The cost of such Facility Assessment shall be borne by the Parties equally. In the event the Club elects to complete a Facility Assessment before the tenth (10th) Lease Year, the new Facility Assessment shall replace and not be in addition to the B&D Report or to a prior Facility Assessment, as applicable. The Facility Assessment shall be commissioned with the intent that it may be the basis for recommendations regarding the Club's CapEx Work Plan, but shall not limit the Club's obligations hereunder.

ARTICLE 7 CAPITAL EXPENDITURES

7.1 Capital Expenditures. The Club is solely and exclusively responsible for the performance of all capital maintenance, capital replacement, capital restoration, capital repairs, capital re-equipping and capital improvements (including Necessary Improvements and Upgrade Improvements) necessary to meet the Applicable Standard and to fulfill the Club's rights and obligations under the CapEx Work Plan (the "CapEx Work"), and for all costs and expenses thereof (the "CapEx Expenses"). CapEx Work includes any capital work that is reasonably required to be performed in and about the Leased Premises (other than with respect to improvements to the District Offices) to comply with the Applicable Standard and Applicable Law, including, but not limited to, all necessary capital improvements identified in any Facility Assessment, and CapEx Work necessitated by Damage, normal wear and tear, defects in construction or design, or any other cause. Notwithstanding the foregoing, the Club's obligation to repair or rebuild the Leased Premises following Catastrophic Damage shall be governed solely by the provisions of Section 7.8, or, following a Condemnation, by the provisions of Article 25.

7.2 Club Obligation to Fund CapEx. The Club shall be responsible for performing all work necessary to meet the Applicable Standard and to fulfill the Club's obligations under the CapEx Work Plan without respect to the sufficiency of the CapEx Fund to fund, or reimburse the Club for, the cost of such CapEx Work at the time such work is performed. The Parties acknowledge and agree that the Club is responsible for obtaining all Permits and Approvals with respect to the CapEx Work, with the cost of such Permits and Approvals paid as CapEx Expenses. The Club acknowledges and agrees that the PFD shall have no liability for any CapEx Work other than its specific obligations to satisfy its obligation to fund the initial contributions pursuant to Section 7.3.2, to make the PFD CapEx Contribution pursuant to Section 7.3.5 and to pay to the Club funds from the County Tax Revenue Fund upon the satisfaction of the conditions precedent in Section 7.5.4, consistent with Section 7.5.5.

7.3 CapEx Fund.

7.3.1. Establishment. The PFD shall establish and fund a CapEx Fund (the "CapEx Fund"), from which costs and expenses for CapEx Work shall be paid, consistent with Section 7.4.

7.3.2. Initial Contributions. The PFD shall initially contribute to the CapEx Fund: (a) by January 31, 2019, the balance of the Excess Revenues Fund as of December 31, 2018; (b) promptly upon receipt from the Club, fifty percent (50%) of the profit-sharing for the last lease year pursuant to Section 5.2 of the Original Lease (i.e., 2018); and (c) by January 31, 2019, the balance of the PFD Surplus Funds as of December 31, 2018, less: (i) \$2,000,000 the PFD shall deposit in the PFD Operating Reserve Fund, and (ii) \$2,000,000 the PFD shall contribute to the Neighborhood Improvement Fund.

7.3.3. Club Annual CapEx Contributions. The Club's annual contributions to the CapEx Fund shall be referred to herein as the "Annual CapEx Contribution" and shall be paid in equal installments biannually together with the Club's biannual Base Rent payments during a Lease Year. The Club shall contribute \$3,250,000 for the first Lease Year of the Term, which amount shall be adjusted annually in proportion to the CPI Change from the previous Lease Year.

7.3.4. Other Club Contributions. If the Club resells charter seat licenses during the Term, it shall dedicate any net proceeds from such license sales to the CapEx Fund. If in any Lease Year the CapEx Fund balance is insufficient to cover the CapEx Expenses, the Club shall contribute to the CapEx Fund revenues it receives in such Lease Year, for such Lease Year (not to exceed the amount of the shortfall), from the Club's sale or license of any naming rights to the Ballpark pursuant to Article 11.

7.3.5. PFD Annual CapEx Contributions. The PFD shall contribute monthly, in arrears, to the CapEx Fund (the "PFD CapEx Contribution"): (a) one hundred percent (100%) of the proceeds to the PFD of the Admissions Tax and Parking Tax; and (b) Revenue Sharing, pursuant to Section 5.2.6. Not later than thirty (30) days after the end of each Lease Year, the PFD shall contribute to the CapEx Fund from Base Rent, after payment of PFD operating expenses and any annual Waterfront LID Assessment (to the extent remaining funds are available from such Lease Year's Base Rent after payment of the PFD's operating expenses and Waterfront LID Assessment), \$250,000 for the first Lease Year, which amount shall be adjusted annually for each Lease Year thereafter in proportion to the CPI Change from the previous Lease Year.

7.3.6. Other PFD CapEx Contributions. The PFD shall contribute to the CapEx Fund any Sale of Club Revenue Share, pursuant to Section 16.2 or Section 16.3, and may contribute such additional funds from the PFD Operating Account as the PFD may elect, in its sole discretion.

7.3.7. CapEx Fund Management. The CapEx Fund shall be managed by the PFD consistent with this Agreement. Interest and other earnings on the CapEx Fund, net of reasonable third-party management expenses, will be retained in and constitute part of the CapEx Fund account. All disbursements from the CapEx Fund shall be consistent with the terms and provisions of Section 7.4.

7.4 CapEx Fund Use.

7.4.1. Expenditure of Funds; Limitations. Except as provided in Section 7.4.4, all amounts in the CapEx Fund shall be used for CapEx Expenses (including the documented, fairly allocated, reasonable salaries of the Club's in-house Ballpark operations employees to the extent they perform CapEx Work based on actual time spent performing such work); provided, the PFD may, but shall not be obligated to, use funds in the CapEx Fund to cure any Club Default, after any applicable cure period and consistent with Section 19.2, in addition to exercising any other rights the PFD has to cure any Club Default. The Club shall be entitled to

undertake CapEx Work and cause the PFD to either pay such CapEx Expenses directly from the CapEx Fund or to reimburse the Club from the CapEx Fund for such CapEx Expenses if the CapEx Work item: (i) is contemplated by the current approved CapEx Work Plan or is otherwise approved by the PFD in writing; (ii) constitutes an emergency item pursuant to Section 7.6; (iii) is used for restoration following non-Catastrophic Damage in accordance with Section 7.8.3; or (iv) costs no more than \$350,000 for an individual project nor more than \$1,500,000 in the aggregate for all such projects in a Lease Year, such amounts to be adjusted each Lease Year in proportion to the CPI Change from the previous Lease Year. Any other use of funds from the CapEx Fund shall require the PFD's advance written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Expenditures from the CapEx Fund shall not be used for Operating Expenses or Maintenance Expenses.

7.4.2. Limitation on Reimbursements to Club. The Club may not be reimbursed from the CapEx Fund for CapEx Work undertaken by the Club if such reimbursement would reduce the balance of the CapEx Fund below \$3,000,000 (the "Minimum Balance"), nor shall funds from the CapEx Fund directly pay CapEx Expenses if such direct payment would cause the balance of the CapEx Fund to fall below the Minimum Balance. The Club shall directly pay the costs and expenses of performing any and all CapEx Work necessary to meet the Applicable Standard and to fulfill the Club's obligations under the CapEx Work Plan until such time as the Minimum Balance is sufficient to be maintained after reimbursing the Club for CapEx Work or after directly paying the costs and expenses of the CapEx Work. The Club shall be reimbursed from the CapEx Fund retroactively for any such directly funded CapEx Work as and when the CapEx Fund balance is sufficient to maintain the Minimum Balance.

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

7.4.4. Disbursement at End of Term.

7.4.4.1. If (a) the PFD and Club extend this Agreement or enter into a new lease for a term of at least ten (10) years, or (b) the Club and PFD agree to partner in the construction of a new ballpark in the State, the CapEx Fund balance shall be credited pro rata between the Club and the PFD based on each Party's respective creditable contributions. The "PFD Creditable Contribution" shall comprise: (i) all contributions made by the PFD to the CapEx Fund pursuant to Sections 7.3.5 and 7.3.6; (ii) all capital expenditures made from the County Tax Revenues Fund pursuant to Section 7.5.5; and (iii) all CapEx Expenses reimbursed by the PFD to the Club pursuant to PFD Resolution No. 464. The "Club Creditable Contribution" shall comprise all contributions made by the Club to the CapEx Fund pursuant to Sections 7.3.3 and 7.3.4 and the amount of any costs and expenses borne by the Club for CapEx Work not reimbursed by the CapEx Fund or County Tax Revenues Fund. The Parties' pro rata credit shall be applied against the Parties' respective obligations to construct a new ballpark, future Ballpark renovations or new improvements pursuant to (a) or (b) above.

7.4.4.2. If the Club, without partnering with the PFD (or any successor entity thereto), participates in the construction of a new ballpark in the State, the amount of the Club Creditable Contribution shall be distributed to the Club from the CapEx Fund balance within ninety (90) days after the expiration of the Term, provided

the Club's pro rata share of the CapEx Fund balance shall be used exclusively to pay construction costs of the new ballpark.

7.4.4.3. If the Club relocates or no longer operates in the State, the entire remaining CapEx Fund balance shall be the property of the PFD, to be applied to the costs of demolishing the Ballpark or to other Ballpark renovations or new improvements, as determined by the PFD in the PFD's sole discretion.

7.4.5. CapEx Fund During Event of Default. If a Club Default occurs during the Term and is not cured upon the termination of this Agreement, no amount of the Club Creditable Contribution shall be distributed to the Club until the Club Default is cured or otherwise resolved, and may be used by the PFD, in its reasonable discretion, to pay Club obligations that have accrued and are owing hereunder to the PFD as of such date. Upon cure of any such Club Default, any amounts remaining in the CapEx Fund shall be distributed as set forth in Section 7.4.4.

7.5 County Tax Revenues Fund.

7.5.1. Establishment. The PFD shall establish and maintain a segregated fund (the "County Tax Revenues Fund") for lodging tax revenue proceeds transferred by the County to the PFD (the "County Tax Revenues") pursuant to Section 2 of that certain Funding Agreement Between King County and the Washington State Major League Baseball Stadium Public Facilities District as authorized by King County Ordinance No. 18788 (the "Funding Agreement"), from which certain costs and expenses for CapEx Work shall be paid, consistent with Section 7.5.5.

7.5.2. County Tax Revenues Fund Management. The County Tax Revenues Fund shall be managed by the PFD and the PFD shall pay out funds from the account as permitted under this Agreement and the Funding Agreement. Interest and other earnings on the County Tax Revenues Fund, net of reasonable third-party management expenses, will be retained in and constitute part of the County Tax Revenues Fund account. All disbursements from the County Tax Revenues Fund shall be consistent with the terms and provisions of Section 7.5.4., Section 7.5.5 and the Funding Agreement.

7.5.3. Contributions. Commencing in 2021, transfers to the PFD by the County of County Tax Revenues shall be deposited in the County Tax Revenues Fund quarterly in arrears, unless otherwise agreed by the County and the PFD, and subject to final payment or defeasance of existing bond indebtedness, all as set forth in Section 1 of the Funding Agreement.

7.5.4. Conditions Precedent. The availability of funds in the County Tax Revenues Fund from which the PFD may pay for County Eligible CapEx Work (defined below) is subject to: (i) satisfaction of conditions precedent to the County's obligation to transfer County Tax Revenues to the PFD, pursuant to Section 1 of the Funding Agreement; and (ii) the PFD's actual receipt of such funds from the County.

7.5.5. Expenditure of Funds; Limitations. Amounts in the County Tax Revenues Fund may be used only for those purposes set forth in the Funding Agreement. Pursuant to Section 2 of the Funding Agreement, the PFD shall: (a) ensure the Club identifies in its CapEx Work Plan those CapEx Expenses the Club believes are eligible expenditures from the County Tax Revenues Fund (the "County Eligible CapEx Work"); and (b) provide advance notice to the County of the same, prior to disbursing County Tax Revenues for such CapEx Work.

7.5.6. Reimbursement from Fund. The PFD shall reimburse the Club for Eligible CapEx Work from the County Tax Revenues Fund in conformance with the CapEx Work Plan and the Funding Agreement. The County Tax Revenues Fund may also be used to reimburse the CapEx Fund for County Eligible CapEx Work completed after the Effective Date and before County Tax Revenues are deposited into the County Tax Revenues Fund in 2021, consistent with this Section 7.5 and the requirements of the Funding Agreement.

7.5.7. County Deposits to County Tax Revenues Fund. The PFD shall not advocate for, support, or agree to any amendment to the Funding Agreement that adversely affects the availability of County Tax Revenues for County Eligible CapEx Work or is otherwise financially detrimental to the Club. If the County fails to transfer County Tax Revenues to the PFD pursuant to the Funding Agreement and Section 7.5.4 (a “County Breach”), to the fullest extent permitted by Applicable Law, upon the Club’s request, the PFD shall assign and delegate to the Club all right to pursue any claim of any kind against the County or State pursuant to such County Breach, provided, however that relief for claims against the County shall be limited to specific performance of the Funding Agreement and/or injunctive relief, such that any and all amounts that would otherwise have been provided to the PFD are and continue to be paid as required. The purpose of the relief available to the Club pursuant to this Section 7.5.7 is to grant the Club the right to secure a court order directing the County to comply with its payment obligations under the Funding Agreement. The prosecution of such claims shall be at the Club’s sole cost and expense. At the Club’s counsel’s request, the PFD shall enter into a joint litigation agreement and cooperation agreement in the pursuit of such claim. The proceeds of any such claim, whether through settlement or judgment, shall be paid to the PFD and treated as funds received pursuant to Section 7.5.3, provided, however, any attorneys’ fees awarded to the Club shall be retained by the Club.

7.6 Emergency Major Maintenance and Capital Improvements. If the Club reasonably determines that the health or safety of persons or property, or the ability to play MLB games in the Ballpark, will be jeopardized absent the immediate commencement of CapEx Work, the Club may commence such CapEx Work without the prior written approval of the PFD and be reimbursed from the CapEx Fund and/or County Tax Revenues Fund, as appropriate, for such purpose, provided the Club promptly notifies the PFD of all such CapEx Work and County Eligible CapEx Work made by the Club pursuant to this Section 7.6.

7.7 Reserve Letter of Credit. If the balance of the CapEx Fund at any time during the Term is less than \$5,000,000 for more than twelve (12) consecutive months, or is less than \$3,000,000 for more than thirty (30) consecutive days, the Club shall provide and maintain in full force and effect, at the Club’s sole cost and expense, an irrevocable standby letter of credit (the “Reserve Letter of Credit”) substantially in the form of Exhibit I hereto. The Reserve Letter of Credit shall be issued by a financial institution reasonably acceptable to the PFD and the amount available to the PFD thereunder shall be maintained for the duration of the Term in an amount not less than Five Million Dollars (\$5,000,000) (the “Minimum Available Amount”). The Reserve Letter of Credit shall be available to satisfy any financial obligation of the Club hereunder, including, but not limited to, Rent, in the event the Club shall fail to promptly satisfy such financial obligation in accordance with the provisions of this Agreement. The PFD shall also have the right to draw under the Reserve Letter of Credit if the PFD receives notice from the issuing financial institution that it will not be extending the terms of the Reserve Letter of Credit or otherwise intends to terminate the Reserve Letter of Credit, unless the Club provides a substitute Reserve Letter of Credit at least ten (10) business days prior to such termination. The PFD shall have sole authority and discretion to draw on the Reserve Letter of Credit in accordance with the terms thereof; provided, however, that the PFD shall have made previous written demand for such payment from the Club and shall have provided the Club with at least five (5) business days to make such payment, and the

PFD shall provide the Club five (5) business days' prior written notice of its intent to draw, which notice shall include the amount to be drawn. Amounts drawn under the Reserve Letter of Credit shall be credited against the Club's obligations to which such amount is applied, if any. Within thirty (30) days of any such draw, the Club shall be obligated to reinstate the amount available under the Reserve Letter of Credit to the Minimum Available Amount.

7.8 Damage.

7.8.1. Applicability. This Section 7.8 applies if the Leased Premises, or any part thereof, are damaged or rendered unfit or inoperable due to any insured or uninsured occurrence or casualty, and if (a) the estimated cost of full restoration exceeds Ten Million Dollars (\$10,000,000), (b) the estimated time necessary to fully repair the damage or occurrence exceeds one hundred eighty (180) days, or (c) the damage or occurrence constitutes Catastrophic Damage. Any damage to the Leased Premises not governed by this Section 7.8 shall be repaired by the Club as soon as reasonably practicable. As used herein, "Catastrophic Damage" means any item (or group of related items arising from a related series of events or causes) of CapEx Work that arises as a direct result of a casualty event, and that has an estimated cost that is more than the amount of expected available insurance proceeds, plus any amounts in the CapEx Fund and the County Tax Revenues Fund, plus \$25,000,000 (which \$25,000,000 shall be adjusted each Lease Year in proportion to the CPI Change from the previous Lease Year), plus any Club retained or self-insured amounts (which total is herein referred to as the "Threshold Amount"). In the event of any Catastrophic Damage, neither Party shall have any obligation to pay any costs of repair of such Catastrophic Damage in excess of available insurance proceeds except as set forth in Section 7.8.4.

7.8.2. Notice of Damage. As soon as reasonably practicable, but in any event at or prior to the earlier to occur of (a) the day that is one hundred eighty (180) days after the date of the damage or occurrence and (b) the day that is ninety (90) days after the Club actually receives insurance proceeds as compensation for damage to the Leased Premises caused by a casualty, the Club shall notify the PFD whether, in the Club's reasonable opinion, any insurance proceeds actually received (or to be received) by the Club as compensation for damage to the Leased Premises caused by such casualty, together with available funds from the CapEx Fund and the County Tax Revenues Fund, as appropriate, are (or are reasonably anticipated to be) adequate to fully repair the damage to the Leased Premises (the "Club's Damage Notice").

7.8.3. Non-Catastrophic Damage. If the damage or occurrence is not Catastrophic Damage, then the Club shall use the insurance proceeds, together with any available funds from the CapEx Fund, the County Tax Revenues Fund, as appropriate, and any supplemental funding required by the Club, to fully repair the Leased Premises as soon as reasonably practicable, and this Agreement shall continue in full force and effect. The actual costs of such repair and restoration incurred by the Club shall be funded first from available insurance proceeds, then second from the CapEx Fund, third from the County Tax Revenues Fund, as appropriate, and then fourth from any additional funds required from the Club if and to the extent the insurance proceeds, CapEx Fund and County Tax Revenues Fund are not sufficient to cover such costs.

7.8.4. Catastrophic Damage. If the damage is Catastrophic Damage, then the Club and the PFD shall meet as soon as possible to mutually determine, in good faith, whether and to what extent any expenditure is necessary to repair the damage, if and the manner in which any such repair will be conducted, and if and the manner in which the cost that is in excess of: (a) the available insurance proceeds; plus (b) the Threshold Amount (such excess cost referred to

herein as the “Non-Covered Amount”) will be financed. If the PFD secures funding sufficient to pay for the Non-Covered Amount, the Club agrees to make the necessary repairs and to pay toward the costs of such repairs the Threshold Amount less all funds available for such repairs from the CapEx Fund. The Club shall not be obligated to repair any damage to the Leased Premises unless and until the PFD has secured, to the reasonable satisfaction of the Club, the Non-Covered Amount or the Club shall have otherwise agreed to fund such Non-Covered Amount. If the PFD fails to secure such funding or the Club shall have not otherwise agreed to fund such Non-Covered Amount within six (6) months following the Club’s Damage Notice, the Club may notify the PFD of its intention to terminate this Agreement, which termination shall be effective thirty (30) days after such notice is given to the PFD. In the event of termination of this Agreement in accordance with the preceding sentence, the Club shall assign any interest it may have in insurance proceeds received for damage to the Leased Premises to the PFD (other than insurance proceeds with respect to the Club’s personal property, trade fixtures and business interruption) and the Parties shall have no obligation to repair the Leased Premises.

7.8.5. Damage During Last Three Years of the Term. Notwithstanding any provisions in this Agreement to the contrary, if during the final three (3) years of the Term the Leased Premises are damaged to such an extent that the cost of full restoration would exceed twenty percent (20%) of the replacement cost of the Leased Premises immediately prior to such damage and such damage renders the Leased Premises unfit for the playing or viewing of Major League Baseball games, and if the Parties have not, prior to such damage or destruction, renewed the term of this Agreement in accordance with Section 2.3, then the Club may terminate this Agreement by delivering to the PFD a written notice of termination no later than sixty (60) days following the date the damage or destruction occurred, together with an assignment to the PFD of all of the Club’s rights in and to any insurance proceeds received for damage to the Leased Premises (other than insurance proceeds with respect to the Club’s personal property, trade fixtures and business interruption). This Agreement shall terminate thirty (30) days after timely delivery of such termination notice and the Parties shall have no obligation to repair the Leased Premises.

7.8.6. Damage That Cannot Be Repaired Within Three Years. Notwithstanding any other provisions in this Agreement to the contrary, if the Leased Premises are damaged to such an extent that they cannot reasonably be restored within three (3) years after the date of the damage or destruction, and such damage renders the Leased Premises unfit for the playing or viewing of MLB games, then the Club may terminate this Agreement by delivering to the PFD a written notice of termination no later than ninety (90) days after the date the damage occurred, together with an assignment to the PFD of all of the Club’s rights in and to any insurance proceeds received for damage to the Leased Premises (other than insurance proceeds with respect to the Club’s personal property, trade fixtures and business interruption). This Agreement shall terminate thirty (30) days after timely delivery of such termination notice and the Parties shall have no obligation to repair the Leased Premises.

7.8.7. Administration of Property Insurance Proceeds. All proceeds of property insurance maintained by the Parties pursuant to Section 9.3, except as otherwise set forth in Section 7.8.8, where such proceeds exceed or are expected to exceed \$3,000,000, other than proceeds with respect to the Club’s personal property or trade fixtures or business loss or interruption, shall be paid over to and held in trust by a financial institution with total assets of at least \$3,000,000,000 in an account at an office located in the State designated by the Club and reasonably acceptable to the PFD (the “Insurance Trustee”). If the Club duly and timely elects to terminate this Agreement as provided in Section 7.8, all such insurance proceeds shall thereafter

become the property of and be paid to the PFD. In all other cases, the insurance proceeds shall be administered according to the reasonable direction of the Insurance Trustee (or as otherwise agreed to by the Parties) as to the investment of the insurance proceeds, application of the insurance proceeds to defray the cost of repair and restoration of physical damage to the Leased Premises, the method for disbursement of the insurance proceeds on a progress basis so as to assure that repair and restoration work is completed in a lien free manner, payment of the Insurance Trustee's fees from the insurance proceeds, and exculpation of the Insurance Trustee in the absence of willful misconduct or gross negligence.

7.8.8. Administration of Earthquake Insurance Proceeds. All proceeds of earthquake insurance, maintained by the Club pursuant to Section 9.3.2, shall be applied to cover (a) property damage to the improvements on the Leased Premises; and (b) property damage to Club personal property or trade fixtures, business loss or interruption. If the proceeds are insufficient to cover all the property damages or losses described in clauses (a) and (b) above, then the proceeds shall be applied One Dollar (\$1.00) to the property damages or losses in clause (a), followed by One Dollar (\$1.00) to the property damages or losses in clause (b) until the lesser is satisfied; then the remaining proceeds shall be applied to the greater of the damages or losses in clause (a) or clause (b) until all of the proceeds have been exhausted.

7.9 Liens. The Club shall keep the Leased Premises and the Club's leasehold interest in the Leased Premises free from any liens arising out of any services, work or materials performed, furnished, or contracted for by the Club, or obligations incurred by the Club. In the event the Club fails, within sixty (60) days following the imposition of any such lien, either to record a lien release bond to discharge the lien or such other protection against the same as the PFD shall accept, the PFD shall have the right to cause the same to be released by such means as it shall deem proper, including payment of the claim giving rise to such lien. All such sums paid by the PFD and all expenses incurred by it in connection therewith shall be payable to the PFD by the Club within thirty (30) days after the PFD's demand.

ARTICLE 8 INSPECTION

8.1 Inspection by the PFD.

8.1.1. PFD's Right to Inspect. The Parties acknowledge that the PFD has an ongoing right to oversee the performance of the Club's Operations, Maintenance or CapEx Work obligations hereunder (collectively, the "Ballpark Obligations") throughout the Term. The PFD shall have the right to periodically inspect the Leased Premises annually and as it otherwise reasonably deems necessary, at times agreed to by the Parties, to ascertain the Leased Premises are being operated and maintained in a manner consistent with (a) the Operations Plan and the Operating Standard, and (b) the Ballpark Management Plan and the Applicable Standard. If any such inspection time cannot be agreed to by the Parties, the PFD shall provide the Club with written notice of such inspection date, but any such inspection shall not unreasonably interfere with the Club's operations. No later than fifteen (15) days after receipt of such notice, the Club shall allow the PFD to proceed with its inspection of the Leased Premises, and shall cooperate with and assist the PFD during the course of the inspection.

8.1.2. Scope of Inspection. The PFD shall have the right to inspect the entire Leased Premises and shall comply with all security provisions regarding access to the Leased Premises in conducting such inspections. The Club shall, as part of such security provisions, provide for PFD access consistent with Section 8.1.1 and the Club's policies and procedures to conduct inspections and shall cooperate fully with the PFD in its conducting such inspections. In

the course of its inspections, the PFD may hire mechanical, structural or electrical engineers, or other experts to assist in ascertaining whether the Leased Premises have been maintained in accordance with the Ballpark Management Plan and the Applicable Standard. The PFD shall propose the inspector to be used for inspections conducted pursuant to this Section 8.1.2, subject to the Club's review and comment. The costs of any such inspection, including the cost of any engineers or experts, shall be borne by the Parties equally.

8.1.3. Right of Entry. In addition to the rights granted under Section 8.1.2, the PFD and its agents and representatives, with notice to the Club, shall have rights of access and entry as reasonably necessary into and upon the Leased Premises for noncommercial activities reasonably related to the PFD's purpose, provided any such entry does not unreasonably interfere with the Club's operations. The PFD shall comply with all security provisions regarding access to the Leased Premises. The Club shall, as part of such security provisions, provide for PFD access and shall cooperate fully with the PFD in its entry into and upon the Leased Premises.

ARTICLE 9 INSURANCE

9.1 Insurance. Consistent with the specific coverage limits and other parameters set forth in Sections 9.2 and 9.3, the Club shall purchase and maintain, at the Club's sole cost and expense, such insurance as is necessary to protect it and the PFD, the PFD's Board of Directors, and the PFD's employees and agents from insurable claims arising as a result of the ownership, use, management and operation of the Leased Premises and the Club's and the PFD's property in and around the Leased Premises (collectively, the "Insured Property"), including:

- a. Claims by Club employees for worker's compensation consistent with Applicable Law;
- b. Claims by Club employees for damages because of personal injury, bodily injury, sickness or disease, or death of employees;
- c. Claims for damages because of bodily injury, or death of third parties;
- d. Claims for damages because of damage to property owned by third parties, including damage to or destruction of tangible property, including loss of use resulting therefrom;
- e. Claims for damages insured by personal injury liability coverage that are sustained by third parties, including libel, slander, false arrest, detention or imprisonment, malicious prosecution, and wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a premises that a person occupies by or on behalf of its owner, landlord or lessor;
- f. Claims for loss of or damage to boilers and machinery (including all heating, ventilation, air conditioning, scoreboards, electrical system equipment and other equipment and machinery); and
- g. Claims for liquor liability brought by third parties.

The forms, terms, amounts and provisions of the insurance policies (including the exclusions in such policies) required by this Article shall be consistent with the specific coverage limits and other parameters set forth in Sections 9.2 and 9.3 and shall be subject to the concurrence of the PFD, which concurrence shall not be unreasonably withheld, conditioned or delayed. The Club agrees to promptly provide the PFD with written notice in the event of any material change to the forms, terms, amounts and provisions of the insurance policies (including the exclusions in such policies) required by this Article. Should the PFD object to the forms, terms, amounts or provisions of the insurance policies selected by the Club in compliance with this Article or any material change thereto, and negotiated resolution of any disagreement cannot be reached, the matter shall be settled in accordance with the provisions of Article 22 of this Agreement. In resolving the disagreement, the Panel in such proceeding shall be limited to determining whether the proposed item is consistent with the specific coverage limits and other parameters set forth in Sections 9.2 and 9.3 or, if not specifically covered by such sections, whether the item is commercially reasonable and consistent with industry practice.

By requiring such minimum insurance coverage, the PFD shall not be deemed or construed to have assessed the risks that may be applicable to the Club under this Agreement. The Club shall assess its own risks and, if it deems appropriate, maintain greater limits and/or broader coverage.

9.2 Liability Insurance.

9.2.1. General Liability. The Club shall purchase and keep in force during the Term a Commercial General Liability Policy, in combination with umbrella or excess liability policies, which together will provide limits of not less than \$30,000,000 each occurrence and annual aggregate covering personal injury, bodily injury to persons, including death, and damage to property of third parties. Such insurance shall provide coverage for the Insured Property, the Club's and the PFD's operations, independent contractors and contractual liability, terrorism and active shooter events (if available on commercially reasonable terms and costs), and products and completed operations liability (but shall not provide Directors' and Officers' liability insurance covering the PFD). The Club shall require its Commercial General Liability insurer to include the PFD as an additional insured for all claims arising out of the Club's use and management of the Leased Premises and the Club's Operations, Maintenance and CapEx Work. The Commercial General Liability insurance policy shall contain a separation of insureds provision, and a provision that the Commercial General Liability provided to the PFD as additional insured shall be primary to and not contributory with insurance maintained by the PFD for claims arising out of the Club's use and management of the Leased Premises and the Club's Operations, Maintenance and CapEx Work. The Commercial General Liability shall provide that any act or omission of one of the named insureds or additional insureds that would void or otherwise reduce coverage shall not reduce or void the coverage as to the other named and additional insureds.

9.2.2. Automobile Liability. The Club shall purchase and keep in force during the Term Automobile Liability insurance, including coverage for owned, hired, leased and non-owned licensed vehicles used by the Club in connection with the Club's use, management and operation of the Insured Property, in combination with umbrella or excess liability policies which together provide limits of not less than \$30,000,000 each accident, combined single limit bodily injury and property damage. The Automobile Liability insurance must include the PFD as an additional insured for all claims arising in connection with the Club's use and management of the Leased Premises and the Club's Operations, Maintenance and CapEx Work.

9.3 Property Insurance.

9.3.1. All Risk Property Insurance. The Club shall maintain All Risk property insurance during the Term in an amount not less than one hundred percent (100%) of the replacement cost thereof. “All Risk” is defined as property insurance that protects the insured from direct loss arising from any peril or cause, other than those perils or causes specifically excluded by name, and shall include coverage for terrorism (if available on commercially reasonable terms and costs). Insurance for earthquake and floods shall be governed by Section 9.3.2. The PFD shall be named as an additional loss payee on Club property insurances. If, upon the occurrence of an insured event, funds are paid out from the CapEx Fund to pay for such damage, insurance proceeds of an equal amount for damage to the Insured Property shall be contributed as a reimbursement to the CapEx Fund..

9.3.2. Earthquake and Flood Insurance. The Club shall purchase and keep in force during the Term property insurance covering the Insured Property against all risk of direct physical loss due to the peril of earthquakes and floods. The amount of earthquake insurance to be required shall be determined by the results of an earthquake Probable Maximum Loss (PML) study, conducted every five (5) Lease Years by a reasonable professional consulting firm accredited to conduct such PML studies, selected by the Club and acceptable to the PFD. The PML will be based upon the most recent replacement cost appraised value of the Insured Property, provided that in no event shall the limit of earthquake insurance coverage be lower than \$125,000,000. Earthquake Insurance shall be written with two percent (2%) deductible (or, if not available on commercially reasonable terms and costs, with the lowest deductible that is available on commercially reasonable terms), based upon the values at the location where damage is sustained. The Club shall also purchase and keep in force during the Term property insurance in the amount of \$125,000,000 covering the Insured Property against direct physical loss due to the peril of flood.

9.3.3. Builders’ Risk. If and to the extent the Club undertakes certain CapEx Work that would give rise to an exception in the coverage provided in Section 9.3.1, above, the Club shall purchase and keep in force Builders’ Risk insurance against all insurable risk, including earthquake and flood, in an amount equal to 100% of the completed value of such CapEx Work undertaken by the Club pursuant to the CapEx Work Plan until such time as such CapEx Work is completed. Such insurance shall include coverage to conform with then current codes, any costs of demolition and debris removal, collapse, theft, off-site storage and property in transit, without deduction for depreciation of the covered items and in amounts that meet any co-insurance clauses of the policies of insurance, with no exclusion for vandalism and malicious mischief or soft costs. The policy shall be endorsed to cover the interests, as they may appear, of the PFD.

9.4 Review of Insurance Coverages. The PFD and the Club may modify the coverage limits and deductible amounts required by this Article 9 by mutual written agreement. At a minimum, the PFD and the Club shall review the limits of coverage required by this Article 9 every five (5) years in view of inflation or deflation, the foreseeable risks attendant to the Club’s use, management and operations of the Insured Property, coverage limits customary for similar property in the Pacific Northwest market and the market availability of particular forms and terms of coverage. Either Party may request a change in the required policy limits or request additional coverages be made part of this Agreement upon giving the other Party ninety (90) days’ written notice of the proposed change. Any change in the required policy limits or additional coverage must be mutually agreed upon by the Parties.

9.5 Third-Party Insurance. The Club shall require that any concessionaires, any concessionaire subcontractors, any contractor of the Club performing services related to the use, operation and management of the Insured Property and any other user or lessee of the Insured Property, provide a

certificate of insurance to the Club evidencing coverage for their operations and for workers' compensation insurance for their employees, consistent with Applicable Law, commercial general liability insurance with limits of not less than \$5,000,000 each occurrence and annual aggregate automobile insurance with combined single limits of not less than \$2,000,000 each accident and, in the case of concessionaires and concessionaire subcontractors involved in sales of alcoholic beverages, liquor liability with limits of not less than \$10,000,000 each occurrence and annual aggregate. The aforementioned policies for commercial general liability coverage, automobile coverage and liquor liability coverage shall name the Club, the PFD and the PFD's Board, employees and agents as additional insureds. The Club shall have the right to include certain non-Major League Baseball event users and other contractors under the Club's insurance policies in satisfaction of this requirement.

9.6 Cooperation. The Club and the PFD shall assist and cooperate with any insurance company providing insurance to the Club or the PFD in the adjustment or litigation of all claims arising under the terms of this Article 9.

9.7 Waiver of Recovery and Subrogation. The PFD and the Club release and relieve each other, and waive their entire right of recovery, for loss or damage to the Insured Property against each other for damages caused by fire or other perils covered by the All Risk property insurance policy(ies). This waiver applies whether or not the loss is due to the negligent acts or omissions of either Party, or their respective officers, directors, employees, agents, contractors or invitees. Each Party shall have their respective property insurers endorse the applicable insurance policies to reflect the foregoing waiver of recovery and subrogation; provided, however, that the endorsement shall not be required if the applicable policy of insurance permits the named insured to waive rights of subrogation on a blanket basis, in which case the blanket waiver shall be acceptable. Such waiver applies to losses above or below any deductible or retention.

9.8 General Insurance Requirements. All insurance required by this Article 9 will be placed with carriers with a Best's Insurer's Reports policyholder's rating of not less than "A-VII." Subject to the PFD's prior approval, which approval shall not be unreasonably withheld, conditioned or delayed, insurance may be placed with insurers of recognized financial standing (e.g., companies traditionally not rated by Best's). Policies of insurance required hereunder are to be procured by the Club and maintained in full force at the Club's sole cost during the Term, any renewals or extensions thereof and any holdover period. The Club shall deliver to the PFD a Certificate of Insurance evidencing the insurance required in Sections 9.2 and 9.3 not less than five (5) days after renewal of such policy or policies. The Club shall furnish certificates on ACORD Forms, or their commercial equivalent, and, at any time the Club shall receive written notice of any cancellation or non-renewal of any insurance policy required hereunder, the Club shall provide the PFD with a copy of such notice promptly, but in no event later than two (2) business days after the Club's receipt of such notice. The PFD may annually request a copy of any insurance policy and endorsements required to be procured by the Club pursuant to this Article 9 and the Club will provide these copies within a reasonable period of time.

9.9 PFD Right to Procure Insurance. If the Club fails to comply with the provisions of Sections 9.2 or 9.3, the PFD shall advise the Club in writing of the deficiency. If the deficiency is not corrected within ten (10) days, the PFD shall then have the right, but not the obligation, at any time and from time to time to procure such insurance and/or pay the premiums for such insurance. The Parties shall then promptly submit such dispute for resolution pursuant to the provisions of Article 22, consistent with the provisions of Section 9.1. In the event the Panel determines that the Club was not in violation of the requirements of Sections 9.2 or 9.3, the payment for such insurance shall be deemed an expense of the PFD. In the event the Panel determines that the Club was in violation of the requirements of Sections 9.2 or 9.3, the PFD shall recover from the Club the costs of procuring such insurance.

9.10 Deductibles and Self-Insured Retentions. At the Club's option, except as otherwise required under Section 9.3.2, the Club may undertake to maintain deductibles or self-insured retentions under any insurance required by this Article 9, provided that in no event shall any deductible or any self-insured retention exceed \$2,000,000. The deductibles or self-insured retentions, as appropriate, shall be disclosed in writing to the PFD. Any deductibles or self-insured retentions established by the Club shall not serve to adversely affect the PFD, and the PFD shall be protected against loss or damage to or injury resulting from the use, management or operation of the Insured Property in the same manner as if the Club had no deductibles or self-insured retentions. The Club shall be responsible for the payment of all deductibles and self-insured retentions under the policies of insurance required under this Article 9.

9.11 Application of Insurance Proceeds. The proceeds of any claims made under the insurance policies required by Section 9.3 (other than proceeds with respect to the Club's personal property, trade fixtures and business interruption) and the amount of any deductibles and/or self-insured retentions maintained by the Club pursuant to Section 9.10 shall be applied as provided in Article 7 unless this Agreement is terminated pursuant to Section 7.8, in which event the Club shall pay to the PFD the amount of any such deductibles or self-insured retentions.

ARTICLE 10 ADVERTISING

10.1 Advertising Rights. The Club shall maintain a current advertising policy that addresses the Club's guidelines for accepting or rejecting particular advertisers or categories of advertisers. The Club shall have the right to sell and retain the revenues from all advertising placed anywhere in or on the Leased Premises, subject to Section 10.2 below and to the advertising policies as set forth pursuant this Section 10.1. The Club's right shall include, without limitation, all fixed, rotating, electronic or temporary signage on the Ballpark exterior, including the marquee(s), all such signage within the Ballpark, and all such signage in or on any sidewalk, parking lot, parking structure, restaurant or other facility on the Leased Premises.

10.2 Limitations. Notwithstanding Section 10.1, the Parties agree that no advertising for: (a) any sort of product containing tobacco; (b) any sort of product containing or related to marijuana; or (c) any sexually explicit content, will be displayed (including, without limitation, via electronic displays) anywhere at the Ballpark. Notwithstanding the foregoing, the PFD shall consider requests to revise such advertising limitations related to marijuana if the Seattle Seahawks, the Seattle Sounders or any other major league professional team in Seattle that plays in a publicly owned facility with over 10,000 seats permits advertising for marijuana and marijuana-related products.

ARTICLE 11 NAMING RIGHTS AND BALLPARK LIKENESS

11.1 Naming. The Club shall have the right to sell or license the naming rights to the Ballpark for the Term. The sale of the rights, specifically including the actual name proposed for use, shall be subject to the prior approval of the PFD and to the rights reserved to the PFD in this paragraph. The PFD shall have the right to use the name of the Ballpark and any Ballpark logo(s) incorporating the name in non-commercial PFD communications, (b) PFD publications, and (c) for other PFD uses, subject to the provisions of a royalty-free license granted by the Club or naming sponsor, whichever owns the intellectual property rights in the name and/or Ballpark logo(s), to effectuate this right. Nothing in this Agreement limits the right of the Club to designate names, whether commercial, commemorative or otherwise, for any discrete and limited portion of the Leased Premises (other than the name of the Ballpark) in its sole discretion during the Term, subject to Section 10.2. Upon termination of this Agreement, the Club's rights under this Section 11.1, and any naming rights conveyed to a naming

sponsor pursuant to this Section 11.1, shall terminate immediately upon PFD express written request delivered to the Club and the naming sponsor.

11.2 State Legislation Naming Requirements. The Parties acknowledge that RCW 36.100.035(7) requires that the PFD consult with the Executive Rules Committee of the State House of Representatives and the Facilities and Operations Committee of the State Senate before selecting a name for the Ballpark. The Parties agree that the PFD shall consult such committees as required and that the PFD's approval of the proposed Ballpark name is subject to such consultation. The Club agrees to facilitate such consultation by giving the PFD adequate time for such consultation. The PFD shall take the necessary steps within its control to facilitate consultation with the Executive Rules Committee of the State House of Representatives and the Facilities and Operations Committee of the State Senate such that the PFD's decision and/or approval of a proposed name is completed within a commercially reasonable time.

11.3 Ballpark Likenesses. The Club hereby acknowledges that, as between it and the PFD, the PFD owns all rights, including intellectual property rights, in and to all architectural renderings and drawings of the Ballpark and, other than the name, (a) all trademark rights in the Leased Premises, and (b) any and all Ballpark logo(s) based on the likeness of the Ballpark, whether or not created by architects and whether now in existence or created in the future (collectively, the "Ballpark Likenesses"). Concurrently with the execution of this Agreement, the PFD and the Club shall execute an exclusive license agreement in the form attached hereto as Exhibit J, pursuant to which the PFD licenses to the Club the exclusive right to use certain Ballpark Likenesses during the Term, on the terms and conditions specified therein (the "License Agreement"). Under the License Agreement, and notwithstanding the exclusive rights granted to the Club hereunder, the PFD shall be permitted to use the Ballpark Likenesses for certain non-commercial uses, as set forth therein.

ARTICLE 12 BONDS

[Intentionally Deleted]

ARTICLE 13 NON-BASEBALL USES

13.1 Generally. The Club shall maintain a policy for non-baseball use of and access to the Leased Premises, which policy shall include, at a minimum, criteria for evaluating requests for non-baseball use; the process by which non-baseball use may be requested and under which the Club will consider it; and the general conditions under which such use would be allowed. The Club shall have the right to schedule and authorize the use of the Leased Premises for non-baseball events during the Term, without the PFD's prior approval, for events that are consistent with or contemplated by the Club's policy for non-baseball use. Prior PFD approval shall be required for any proposed non-baseball event that is inconsistent with or not generally contemplated by the Club's policy for non-baseball use, which approval shall not be unreasonably withheld, conditioned or delayed. The PFD may withhold its approval of a non-baseball event only if the PFD, in its sole discretion, determines and notifies the Club that a proposed non-baseball event is: (a) likely to cause substantial damage to the Leased Premises; (b) incompatible with the character of the Neighboring Communities; (c) likely to adversely affect the image or reputation of either the Ballpark or the PFD; or (d) in material violation of any Applicable Law.

13.2 PFD Requests. The Club shall use good faith efforts to accommodate PFD requests, subject to any limitations imposed by the Cooperation Agreement and the Permits and Approvals, to make the Leased Premises available for particular third-party events, on contract and financial terms

reasonably acceptable to the Club, provided the Club shall have sole and absolute discretion and unconditional approval with respect to scheduling any events which occur during any Season.

ARTICLE 14 REPORTS AND AUDITS

14.1 Annual Ballpark Management, Operations and Community Benefit Report. Within one hundred twenty (120) days of the end of each of the Club's fiscal years during the Term, the Club shall deliver to the PFD a report for such fiscal year (or portion thereof) on (a) the Club's activities in carrying out its Ballpark Obligations, including specific items of Operations, Maintenance and CapEx Work performed, (b) an accounting of annual and cumulative costs and expenses borne by the Club for CapEx Work not reimbursed by either the CapEx Fund or County Tax Revenues Fund, which would be added to the Club's Creditable Contribution under Section 7.4.4; and (c) the Club's activities in working with community groups and the Neighboring Communities, including the Club's efforts to make tickets available consistent with Section 15.2, and its public and community investments undertaken through Mariners Care or any other community benefit programs in which the Club participates; and (d) the Club's actions taken with respect to the provisions of Sections 15.3 and 15.6.

14.2 Annual Performance Audits. The Club shall cooperate with an annual PFD performance audit of Operations, Maintenance and CapEx Work for the Leased Premises. The Club agrees to make available to the PFD or its representatives any information the PFD deems reasonably necessary to enable the PFD to complete its performance audit. If such audit discloses material deficiencies or deviations from the Operations Plan or Operating Standard with respect to Operations, or from the Ballpark Management Plan or Applicable Standard with respect to Maintenance and CapEx Work, the Club agrees to take action, at its sole expense, to correct or otherwise bring into compliance such material deficiencies or material deviations. If the Club does not agree with the PFD as to the existence or amount of any such material deficiencies or material deviations, or that correction is necessary to meet the Operating Standard or to fulfill the Operations Plan (with respect to Operations), or to meet the Applicable Standard or to fulfill the Ballpark Management Plan (with respect to Maintenance and CapEx Work), the PFD may submit the dispute to dispute resolution in accordance with the provisions of Article 22; provided, that the sole question presented to the Panel in such dispute resolution process shall be whether incorporating the correction recommended by the PFD is necessary for compliance with the Operating Standard or Operations Plan (with respect to Operations) or with the Applicable Standard or Ballpark Management Plan (with respect to Maintenance and CapEx Work).

14.3 Audit of Records. The PFD shall have the right, through the use of a nationally recognized independent certified public accounting firm selected by the PFD, to audit annually for the prior Lease Year or fiscal year, as applicable, upon ten (10) days' prior written notice to the Club, all Club records with respect to: (a) Revenue Sharing computations pursuant to Article 5, (b) the Club Creditable Contribution pursuant to Article 7, and (c) Club collection and remission of the Admissions Tax and Parking Tax. The Club shall make available to the PFD's accountants and executive staff the records, work papers of the Club's accountants, and other such backup documentation as may be reasonably requested by the PFD's accountants in connection with such audit (excluding, for the avoidance of doubt, any records or information relating to Major League Clubs other than the Seattle Mariners). If the audit findings reflect that any payment or deposit required by Article 5 or 7 was incorrectly calculated, the error shall be promptly corrected by the Parties. If any such error results in an underpayment to the PFD, the Club shall pay interest on such underpayment at a rate equal to the Applicable Rate on the date such underpayment was originally due, and if such error results in an overpayment, the PFD shall promptly return the amount of the overpayment to the Club, together with interest thereon at the Applicable Rate. If, pursuant to the PFD audit, the Parties do not agree on the amount of the payment or deposit required in accordance with (i) Article 7, the PFD may submit the disagreement to dispute resolution in accordance

with Article 22; or (ii) Article 5, the provisions of Section 5.2.5 shall apply. If an audit uncovers errors or incorrect calculations representing a variance greater than 3%, the Club shall pay the cost of such audit. The PFD's accountants and executive staff shall, prior to reviewing any Club records, execute a written confidentiality and non-disclosure agreement in a form reasonably acceptable to the Parties, and subject to Applicable Law. All documents and work papers subject to audit, including any copies thereof, shall remain at the Club's or the Club's accountant's offices.

ARTICLE 15 PUBLIC BENEFITS

15.1 Community Use and Involvement. The Club agrees to use reasonable efforts to (a) continue community promotion and charitable services and community projects in a manner reasonably consistent with the Club's past practice; (b) make the Ballpark available on reasonable terms for general, non-baseball community use; (c) cooperate with the Neighboring Communities in order to promote public access, uses or services for the Neighboring Communities; and (d) generally support Neighboring Community activities, events, community service organizations and projects, all in a manner consistent within the Club's management of Ballpark operations. Without limiting the generality of the foregoing, the Club shall make the Ballpark available for general, non-baseball community use and Neighboring Community use or access on a reasonable basis, subject to any limitations imposed by the Cooperation Agreement, the Permits and Approvals, other scheduling commitments of the Ballpark, or the Club's insurance under Article 9. In implementing its policies for non-baseball use of the Ballpark, the Club shall not unreasonably withhold its consent to reasonable non-baseball use. The Club's obligations with respect to community use and involvement under this Agreement may be fulfilled directly or indirectly, including through affiliates, and shall at all times be conducted within the Club's overall reasonable budgetary, economic and operating constraints, generally in accordance with past practice, but with recognition of the need to foster a cooperative relationship with the Club's Neighboring Communities.

15.2 Reasonable Affordability. Baseball, America's national pastime, is a major spectator sport. In investing in the development and continued capital improvement of the Ballpark, the public has committed itself to preserving Major League Baseball in the Pacific Northwest. The Club acknowledges that keeping Ballpark attendance reasonably affordable to average citizens and their families remains an important shared policy objective in the development and operation of the Ballpark. The Club agrees to make a reasonable, good faith effort to ensure that attendance at MLB games played in the Ballpark remains reasonably accessible to fans of average economic means. To implement this objective more specifically and to provide meaningful opportunities for low-income individuals, senior citizens and children to attend MLB games in the Ballpark, the Club agrees that over the course of each Championship Season it will make (a) at least five percent (5%) of the seats offered for sale available at a price no greater than fifty percent (50%) of the average ticket price of all Paid Admissions during the preceding Championship Season and (b) at least thirty percent (30%) of all seats offered for sale available for purchase outside of full or partial season ticket plans. As used herein, "Paid Admissions" means each ticket issued by the Club and reported as paid attendance to MLB for each of the Seattle Mariners' MLB games played at the Ballpark during a Championship Season. The Club agrees that, over the course of each Championship Season, it will make at least an average of 4,600 tickets per game available at prices or under promotions reasonably affordable to average citizens and their families, including the five percent (5%) of total seats discussed above and tickets made available through Mariners Care and other youth, senior and community programs, family and other discount programs, and other means.

15.3 Non-Discrimination. Without limiting the Club's general obligation to comply with Applicable Law, for the duration of the Term, the Club, and all parties subcontracting under the authority

of the Club, shall comply with all applicable equal employment opportunity and nondiscrimination laws of the United States, the State, the County, and the City.

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

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

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

15.4 Ballpark Neighborhood Improvement Fund. The PFD shall establish a fund to support work consistent with the PFD’s statutory authority and mission statement (to the extent consistent with the PFD’s statutory authority) (the “Ballpark Neighborhood Improvement Fund”).

15.4.1. Funding. The PFD will fund the Ballpark Neighborhood Improvement Fund with (a) an initial contribution of \$2,000,000 from the PFD’s operating funds under the Original Lease; (b) fifty percent (50%) of profit-sharing for the last lease year pursuant to Section 5.2 the Original Lease; and (c) annual contributions made by the PFD, at the PFD’s sole discretion, from the PFD Operating Account, after payment of the PFD’s operating expenses, any Waterfront LID Assessment and the PFD CapEx Contribution.

15.4.2. Disbursements. The Parties will form a four-member advisory committee, with each Party appointing two representatives, to discuss projects and expenditures to be funded by the Ballpark Neighborhood Improvement Fund, and shall seek input and feedback from other stakeholders, including from Neighboring Communities, as appropriate. Notwithstanding that the PFD retains sole discretion in approving projects to be funded from the Ballpark Neighborhood Improvement Fund, the Club’s prior consent is required for any project that materially interferes with the Club’s rights pursuant to this Agreement, including use of the Leased Premises. If the Parties do not agree as to whether a use materially interferes with the Club’s rights under this Agreement, either Party may refer the dispute to the Article 22 dispute resolution process. The PFD, in its sole discretion, shall consider requests from the Club to transfer funds from the Ballpark Neighborhood Improvement Fund to the CapEx Fund to pay for CapEx Work.

15.4.3. Legal Authority. If, by a final non-appealable judgment, a State court determines the PFD lacks statutory authority to fund and manage the Ballpark Neighborhood Improvement Fund, the then-existing balance of the Ballpark Neighborhood Improvement Fund shall be transferred to the CapEx Fund.

15.5 Other Club-Provided Community Benefits. The Club recognizes its unique position to connect the Franchise with worthwhile endeavors, community partners and fundraising activities that make significant contributions to the Pacific Northwest. The Club supports a wide range of programs addressing educational opportunity and success, youth athletics, health, housing, and other community priorities.

15.5.1. Mariners Care. In addition to its direct activities, the Club maintains a non-profit foundation, Mariners Care, which raises and disburses significant funding to support a wide range of charities and community projects. The Club agrees to use reasonable efforts to continue, and look for ways to expand, its support for funding such programs and supporting charitable organizations and community projects, which shall result in raising and providing at least \$25 million during the Term to support programs, initiatives and charitable organizations such as the following examples:

15.5.1.1. Supporting Opportunity for Young People. In 2018 the Mariners launched On BASE, a comprehensive youth baseball and softball initiative supporting young athletes throughout the Pacific Northwest, including differently-abled athletes. On BASE supports existing youth baseball and softball programs, as well as new initiatives, through grants for baseball and softball teams, training opportunities for youth coaches and young athletes, financial assistance to those who are not able to afford the cost to play, and more. The Club agrees to use reasonable efforts to continue to support On BASE, and explore additional opportunities to expand its activities in support of youth programming.

15.5.1.2. Addressing Important Community and Societal Issues. As a highly visible community institution, the Club understands that it can play a significant and valuable role in bringing attention to important community and societal issues, by helping to address, convene decision makers, or participate in collaborative efforts to mitigate these issues. Examples of this work include the Club's Refuse to Abuse Campaign, in which the Club partners together with the Washington State Coalition Against Domestic Violence raise awareness and support victims of domestic abuse, and the Club's partnership with the band Pearl Jam and many other local businesses and organizations in support of the Home Shows to address homelessness in our community. As a more immediate example, the Club and certain of its owners support a homeless prevention program in partnership with the United Way of King County and the King County Bar Foundation. Under the program, the Club and its owners will donate at least \$2 million as the initial funders of a program designed to prevent King County residents from become homeless as a result of eviction proceedings. The Club commits to continue to make reasonable efforts to be active in and to support and expand its efforts to address important community and societal issues where possible.

15.5.1.3. Supporting Charitable Organization Fundraising Efforts. In addition to direct expenditures to fund programs and initiatives, Mariners Care helps non-profits raise funds in a variety of ways, including offering low-cost use of the Ballpark, such as the United Way of King County's Night of Caring; providing thousands of auction items for non-profit fundraisers hosted by small entities, such as local schools and community organizations; and hosting fundraising events benefiting charitable organizations, such as the annual Cystic Fibrosis Mariners Golf Tournament. The Club commits to continue to make reasonable efforts to support charities fundraising efforts where possible.

15.6 Workforce Opportunity. As a major employer in the Seattle Area and the operator of a large capital facility, the Club recognizes that it can play a role in enhancing opportunities for Ballpark workers involved in the Operations, Maintenance and CapEx Work for the Leased Premises.

15.6.1. Labor Harmony and Project Labor Agreements. To prevent labor disputes affecting the Ballpark's Operations, the Club has entered into, and shall maintain in effect, an agreement with labor organizations related to Operations of the Leased Premises, and shall similarly enter into and maintain in effect a Project Labor Agreement with appropriate construction trade labor organizations with respect to County Eligible CapEx Work and for CapEx Work funded with PFD CapEx Fund contributions made pursuant to Sections 7.3.2, 7.3.5 and 7.3.6.

15.6.2. Community Workforce Agreement. The Club shall enter into a Community Workforce Agreement ("CWA") with applicable trades, which shall include provisions that advance inclusion of a diverse workforce reflecting the County's diverse population and inclusion of workers from disadvantaged areas of the County. The Club shall require its contractors and subcontractors to assent to the CWA with respect to hiring for County Eligible CapEx Work and for CapEx Work funded with PFD CapEx Fund contributions made pursuant to Sections 7.3.2, 7.3.5 and 7.3.6.

15.6.3. Prevailing Wages. For County Eligible CapEx Work and for CapEx Work funded with PFD CapEx Fund contributions made pursuant to Sections 7.3.2, 7.3.5 and 7.3.6, and otherwise to the extent required by State law or contract, the Club shall require that contractors and subcontractors of every tier adhere to the prevailing rates for all craft workers in effect at the time their respective contracts are executed. Prevailing wage rates, when required, may not be less than the prevailing wage rate established by Washington State Labor and Industries.

15.6.4. Training and Opportunities for Women and Persons of Color in the Construction Trades. Given the volume of anticipated CapEx Work during the Term, the Club commits to evaluate and support efforts by labor organizations to create and expand opportunities for women and people of color to gain valuable experience in the course of completing the CapEx Work. The Club concurs that there is a need for increased training and apprenticeship opportunities in the construction industry and that a diverse and well-trained workforce is important to the economic and social vitality of the region. The Club shall encourage its CapEx Work contractors to utilize apprentices on the Club's projects in a manner generally consistent with comparable requirements for County major capital improvement projects.

15.6.5. Support for Ballpark Workers. The Club recognizes that Ballpark workers, including but not limited to temporary, part-time, and seasonal workers, play an important role in the overall attendee experience. Given changes in the local economy and housing market, the Club further recognizes that many Ballpark workers may face increasing challenges around housing insecurity and other needs. The Club intends to work with appropriate groups and organizations to better understand the housing and economic issues facing Ballpark workers and their families, and to pursue steps to help provide greater opportunities for increased housing and economic security, within the Club's overall reasonable budgetary, economic and operating constraints.

15.6.6. Periodic Review. From time to time, but no less frequently than every fifth Lease Year, the Parties shall review and revise measures required under Sections 15.3 and

15.6, for general consistency with then-current County inclusion and equity policies and practices required of County-funded major capital improvement projects.

ARTICLE 16 SALE OF CLUB

16.1 Sale of Club. The Club shall make a good faith effort, for at least a ninety- (90) day period, to find a Local Buyer if the Club's right, title and interest to the Franchise, or a Controlling Interest in the ownership of the Club, are offered for sale (either being a "Sale of Club"). "Local Buyer", as used herein, refers to one or more buyers, of whom the general partner or controlling partner's principal residence or place of business has been in the State for at least the previous ten (10) years. "Controlling Interest", as used herein, means (i) ownership of more than fifty percent (50%) of all outstanding equity in the Club; (ii) ownership of more than fifty percent (50%) of the general partnership interest in the Club if the Club is a partnership; (iii) ownership of more than fifty percent 50% of the manager or managing member interests if the Club is a limited liability company; or (iv) control of a majority of the voting interests in the Club either by ownership or contract. Any sale, bequest, gift or other transfer (a) among current Club owners or their heirs (or any new entities formed by such individuals or entities, and any transfers within such new entities) and successors so long as the assignee or successor assumes the responsibilities and obligations of this Agreement by operation of law or otherwise, or (b) between a Club owner and its heirs (or any new entities formed by such individuals or entities), shall not be considered a Sale of Club and therefore not subject to this Article 16.

16.2 End of Term Sale of Club. The Club shall not enter into a Sale of Club during the last ten (10) years of the initial Term to a buyer who does not commit to: (a) assume and extend this Agreement for at least ten (10) years beyond the initial Term's expiration; (b) commit to a new Agreement to extend the initial Term for at least ten (10) years beyond the initial Term's expiration; (c) commit to a new lease with a term expiring at least ten (10) years after the expiration of the initial Term; or (d) enter into other agreements ensuring the Franchise remains in the Seattle Area for at least ten (10) years beyond the initial Term, as part of the Sale of Club documentation (each, a "Ten-Year Extension Term"). If a Sale of Club occurs that does not include a Ten-Year Extension Term (an "End of Term Sale of Club"), the PFD may seek injunctive relief enforcing this provision of this Agreement, or if a court determines that injunctive relief is not available or is not granted for any reason, the Club shall pay the PFD liquidated damages in an amount equal to ten percent (10%) of the gross sale proceeds from an End of Term Sale of Club.

16.3 Revenue Sharing on Sale of Club. The Club shall be required to pay the PFD \$20,000,000 upon a Sale of Club to a buyer that is not a Local Buyer: (a) during the first fifteen (15) Lease Years of the Term, or (b) during Lease Years sixteen (16) through the expiration of the initial Term, provided the buyer or transferee commits to a Ten-Year Extension Term (the "Sale of Club Revenue Share"). The Club shall not be required to pay any amount to the PFD upon a Sale of Club to a Local Buyer (i) during the first fifteen (15) Lease Years of the Term, or (ii) during Lease Years sixteen (16) through the expiration of the initial Term, provided the buyer or transferee commits to a Ten-Year Extension Term. The PFD will contribute to the CapEx Fund any such proceeds it receives from the Club upon a Sale of Club under Sections 16.2 and 16.3 herein.

ARTICLE 17 ASSIGNMENT

17.1 Assignment by Club. Except as otherwise specifically provided herein, the Club shall neither permit a Sale of Club nor assign, transfer, convey, enter into a Leasehold Mortgage, hypothecate or pledge all or any part of its interest in its Leasehold Estate created by this Agreement, except with the prior written consent of the PFD, which consent may be withheld at the PFD's sole discretion.

Notwithstanding the foregoing, and provided there is no Club Default either at the time consent is requested, or at the time the Sale of Club closes or assignment is to become effective, it is agreed that the PFD will consent in writing to (a) a Sale of Club, (b) an assignment in conjunction with a change in the form of the legal entity of the Club in compliance with MLB Rules and the Team Non-Relocation Agreement, or (c) an assignment of this Agreement, to any Person that acquires the Franchise in accordance with applicable MLB Rules and subject to the prior compliance with all the provisions of this Agreement and the Team Non-Relocation Agreement, provided that the PFD receives evidence, in form satisfactory to the PFD, that the Club reaffirms, or such buyer assumes, unconditionally, all of the Club's obligations accruing hereunder and under the Non-Relocation Agreement from and after the date of such assignment and agrees to be bound hereby and thereby. Pursuant only to a Sale of Club by a transfer of the Franchise, as set forth above, and provided the PFD has received from the buyer the written assumption of obligations referred to in the previous sentence in form and substance reasonably satisfactory to the PFD, the Club shall have no further liability hereunder with respect to liabilities accruing from and after the effective date of such Sale of Club.

Notwithstanding the foregoing, the Club may assign the Leasehold Estate created by this Agreement without the PFD's prior written consent but upon 15 days' prior notice to the PFD, pursuant to the provisions of Section 17.4, and the Club may delegate and/or subcontract its Ballpark Obligations pursuant to the provisions of Section 3.3.

17.2 Subletting. The Club shall not sublease portions of the Leased Premises, nor permit other Persons to occupy or conduct business in portions of the Leased Premises, except as expressly permitted by this Agreement or with the prior written consent of the PFD. The Club shall not sublease the entire Leased Premises, or such material portion thereof as would transfer substantial control and possession of the Ballpark, without the prior written consent of the PFD, which consent may be withheld at the sole discretion of the PFD. In addition to other provisions of this Agreement which allow the Club to sublease or permit other Persons to occupy or conduct business in the Ballpark, the Club may, without the consent of the PFD, (a) sublet or permit other Persons to occupy or conduct business in the Ballpark for the purposes of operating retail outlets and restaurants, (b) sell or grant licenses, subleases or similar interests in the ordinary course of business to concessionaires, vendors, advertisers, users and others, and (c) sell licenses and similar interests in reserved seats, club seats and suites; provided, however, that the term of any such subleases, licenses and other interests shall, except as otherwise provided in a Sublessee Nondisturbance Agreement delivered pursuant to the following paragraph, automatically terminate upon termination of this Agreement. The Club specifically agrees that any such sublease, license or other interest which could reasonably give rise to an expectancy of long-term rights (generally, but not necessarily limited to interests with a term of longer than one year), shall include explicit provision for such automatic termination.

Within thirty (30) days after written request from the Club, the PFD shall enter into an agreement (each, a "Sublessee Nondisturbance Agreement") with any Direct Access Retailer to whom the Club subleases any portion of the Leased Premises, provided that the term of such sublease does not extend beyond the Term. The Sublessee Nondisturbance Agreement shall include any reasonable provisions required by the sublessee, subject to the reasonable approval of the PFD, but in any event a Sublessee Nondisturbance Agreement shall (i) reaffirm the PFD's ownership of the Leased Premises, (ii) confirm that this Agreement is in full force and effect, without any defaults (or, if one or more defaults exist, specifying such defaults), and (iii) provide that so long as the sublessee complies with all of the terms and conditions of its sublease, and the sublessee attorns to the PFD, the PFD shall not join the sublessee as a party in any action or proceeding to enforce or terminate this Agreement or otherwise interfere with the sublessee's rights under its sublease

17.3 Assignment by the PFD. The PFD shall have the right to sell, assign, transfer, convey, mortgage or pledge all or any part of its rights under and interest in this Agreement, and pledge any Rent or other sums to which the PFD is entitled under this Agreement or any other interest the PFD has in this Agreement, in whole or in part, as security for the repayment of any financing obtained by the PFD and approved by the Club. If the PFD sells, transfers, conveys or assigns its interest in the Leased Premises or if title to the Leased Premises is transferred as a result of proceedings under a mortgage or deed of trust, or is transferred by deed in lieu of foreclosure, the new owner of the Leased Premises shall take title to the Leased Premises subject to this Agreement, the applicable non-disturbance agreement executed by such mortgagee and any Leasehold Mortgage, and in such event the Club shall attorn to the new owner and recognize the new owner as the lessor under this Agreement, and the new owner shall become bound to the Club to perform all of the PFD's obligations under this Agreement.

17.4 Leasehold Mortgage of Leasehold Estate

17.4.1. Leasehold Mortgages Permitted. The PFD acknowledges the Permitted Leasehold Mortgage and the terms and conditions in the Estoppel. The Club shall from time to time and at any time have the right to grant a Leasehold Mortgage of its Leasehold Estate under this Agreement without the PFD's prior consent, on the conditions that (a) the Club shall give fifteen (15) days' prior written notice to the PFD of its intent to grant a Leasehold Mortgage; and (b) the Club complies with Sections 3.1 and 3.2 of the Team Non-Relocation Agreement. Following the Club's granting of a Leasehold Mortgage, upon the Club's written request to the PFD, the PFD will enter into a reasonable and customary agreement with such Leasehold Mortgagee, whereby the PFD confirms the terms of this Article 17.4, provides a reasonable estoppel certificate with respect to this Agreement and agrees to recognize such Leasehold Mortgagee as tenant under this Agreement provided the assignee attorns to the PFD. The PFD agrees to negotiate in good faith with respect to any amendments of this Agreement which are requested by a Leasehold Mortgagee prior to the execution of the Leasehold Mortgage which are reasonably calculated to protect the Leasehold Mortgagee's interest in this Agreement under its Leasehold Mortgage and do not diminish the rights or increase the obligations of the PFD under this Agreement. No Leasehold Mortgagee shall by virtue of its Leasehold Mortgage acquire any greater right in the Leased Premises than the Club has under this Agreement. Any Leasehold Mortgage and the indebtedness secured thereby shall at all times be and remain inferior and subordinate to all of the conditions, covenants and obligations of this Agreement and to all of the rights of the PFD hereunder. In no event shall the Club have the right to encumber, subordinate or lien or render inferior in any way the PFD's fee simple title and reversionary interest in and to the Leased Premises or any of the PFD's improvements or fixtures thereon.

17.4.2. Notices to Leasehold Mortgagees. If at any time after execution and recording of a Leasehold Mortgage in the real property records of King County, Washington, the Leasehold Mortgagee notifies the PFD in writing of the Leasehold Mortgage and at the same time furnishes the PFD with the address to which the Leasehold Mortgagee desires copies of notices to be mailed, or designates some Person as its agent and representative for the purpose of receiving copies of notices, the PFD shall thereafter mail (certified, return receipt requested) to the Leasehold Mortgagee and to the agent or representative so designated, duplicate copies of any and all default or termination notices which the PFD may thereafter from time to time give or serve upon the Club under and pursuant to the terms and provisions of this Agreement and any and all pleadings in suits that the PFD files against the Club. No notice to the Club shall be effective with respect to such a Leasehold Mortgagee unless copies thereof are mailed to such Leasehold Mortgagee at the same time the notice is given or served upon the Club. All notices to the holder of the Permitted Leasehold Mortgage shall be given to such holder at the address set forth in the Estoppel or such other address as the holder designates to the PFD.

17.4.3. Leasehold Mortgagee's Right to Cure. If the PFD shall ever have a right to terminate this Agreement by reason of a Club Default after the giving of notice and/or the passage of time, as applicable, prior to exercising such right of termination the PFD shall deliver additional written notice (the "Additional Notice") (a) as required under the Estoppel; or (b) to any Leasehold Mortgagee who has duly requested notice of the PFD's intention to terminate this Agreement and describing the existing defaults, and the Leasehold Mortgagee thereafter shall have sixty (60) days to cure the defaults described in the Additional Notice. Notwithstanding the foregoing, in the event (a) the default(s) specified in the Additional Notice are not capable of cure within such sixty- (60) day period, this Agreement may not be terminated if the Leasehold Mortgagee delivers to the PFD, within such sixty- (60) day period, written notice of the Leasehold Mortgagee's undertaking to cure the specified default(s) (including, but not limited to, the Leasehold Mortgagee's agreement to pay any of the Rent or other amounts due hereunder, procure the insurance required hereunder, pay any tax or other impositions, make any repairs and improvements required hereunder, or do any other act or thing or make any other payment required of the Club by the terms of this Agreement or which may be necessary and appropriate to comply with the covenants and conditions of this Agreement to prevent the termination of this Agreement) and the Leasehold Mortgagee thereafter commences and diligently pursues cure of the specified default(s), or (b) the Leasehold Mortgagee is not in actual control of the Leased Premises on the date of the Additional Notice and control is reasonably necessary in order to cure the default(s) specified in the Additional Notice, then the time within which the Leasehold Mortgagee may commence to cure such default(s) shall be extended for a reasonable time until the Leasehold Mortgagee, or a court-approved receiver, can obtain actual control of the Leased Premises, or (c) the default specified in the Additional Notice arises from a bankruptcy filing, insolvency or other similar or related condition of the Club or such other default which is not capable of cure by the Leasehold Mortgagee, the Leasehold Mortgagee shall not be required to cure. No purported termination of this Agreement will be effective until the PFD delivers the Additional Notice and the sixty- (60) day period, or additional time period required in this Agreement, expires without the described default(s) having been cured. The Leasehold Mortgagee may, at its option any time before the rights of the Club under this Agreement shall have been terminated, pay any of the Rent or other amounts due hereunder, procure any insurance required hereunder, pay any tax or other impositions, make any repairs and improvements required hereunder, or do any other act or thing or make any other payment required of the Club by the terms of this Agreement or which may be necessary and appropriate to comply with the covenants and conditions of this Agreement to prevent the termination of this Agreement. All payments so made and all things so done and performed by any such Leasehold Mortgagee shall be as effective to prevent a forfeiture of the rights of the Club hereunder as if performed by the Club.

17.4.4. Leasehold Mortgagee's Liability. No Leasehold Mortgagee shall be or become personally liable to the PFD as an assignee of this Agreement for the payment or performance of any obligation of the Club unless and until it expressly assumes by written instrument the payment or performance of such obligation, and no assumption of liability shall be inferred from or result from any action or remedy provided for by any Leasehold Mortgagee; provided, however, any such assignee must timely and diligently perform all obligations of the Club hereunder.

17.4.5. No Modification or Surrender. During such time as any portion of the Leased Premises is subject to a Leasehold Mortgage, including the Permitted Leasehold Mortgage, this Agreement as to such portion of the Leased Premises may not be voluntarily surrendered without the prior written consent of the Leasehold Mortgagee, and this Agreement as to such portion of the Leased Premises may not be modified without the prior written consent of

the Leasehold Mortgagee if the result of such modification would be to (a) shorten the Term, (b) increase the Rent, (c) modify the manner in which insurance or condemnation proceeds are paid and applied, or (d) modify or adversely affect the Leasehold Mortgagee's rights under this Section 17.4.

17.4.6. New Lease. In the event of the termination of this Agreement as a result of the Club's default, the PFD shall, in addition to providing the notices as required by Section 17.4.3, provide each Leasehold Mortgagee with written notice that this Agreement has been terminated, together with a statement of all sums which would at the time be due under this Agreement but for such termination, and of all other defaults, if any, then known to the PFD. The PFD agrees to enter into a new lease ("New Lease") of the Premises with such Leasehold Mortgagee or its designee (which designee must be either a direct or indirect wholly-owned subsidiary of such Leasehold Mortgagee or an entity that satisfies the conditions set forth in Section 17.1 for an assignment of this Agreement to which the PFD must consent) for the remainder of the Term of this Agreement, as of the date of termination, at the Rent, and upon the terms, covenants, and conditions (including all options to renew but excluding requirements which are not applicable or which have already been fulfilled) of this Agreement, provided:

a. Such Leasehold Mortgagee shall make written request to the PFD for such New Lease within sixty (60) days after the date such Leasehold Mortgagee receives the PFD's notice of termination of this Agreement given pursuant to this Section 17.4.6.

b. Such Leasehold Mortgagee or its designee shall pay or cause to be paid to the PFD at the time of the execution and delivery of such New Lease, any and all sums which are at the time of execution and delivery thereof due pursuant to this Agreement regardless of such termination and which have not otherwise been received by the PFD from the Club or other party in interest under the Club, plus all reasonable attorneys' fees and expenses that the PFD shall have actually incurred. Upon execution of such New Lease, the PFD shall allow to the tenant named therein as an offset against the sums otherwise due under this Section 17.4.7(b) or under the New Lease, an amount equal to the net income derived by the PFD from the Premises during the period from the date of termination of this Agreement to the date of the beginning of the term of such New Lease.

c. Such Leasehold Mortgagee or its designee shall agree to remedy any of the Club's defaults of which said Leasehold Mortgagee was notified by the PFD's notice of termination and which are reasonably susceptible of being so cured by Leasehold Mortgagee or its designee, within one hundred twenty (120) days after the PFD's notice of termination, taking into consideration any inherent delays in any applicable prescribed approval process for accomplishing any required work, including, without limitation, Leasehold Mortgagee being vested in the Leasehold Estate and the issuance of any Permits and Approvals and the expiration of any applicable appeal periods; provided however, subject to Force Majeure events, in no event later than three hundred sixty (360) days after such issuance of the required Permits and Approvals or the Leasehold Mortgagee's or its designee's commencement of such cure, whichever is later.

d. The tenant under such New Lease shall have the same right, title and interest in and to the Premises and the Ballpark and other buildings and

improvements thereon as Club had under this Agreement, and the PFD shall provide such tenant a subordination and non-disturbance agreement consistent with Section 17.5.2.

e. The tenant under any such New Lease shall be liable to perform the obligations imposed on the tenant by such New Lease only during the period such person has ownership of such Leasehold Estate, consistent with Section 17.1.

f. The tenant under such New Lease shall enter into a team non-relocation agreement substantially in the form of the Team Non-Relocation Agreement.

17.4.7. Bankruptcy. In the event of any proceeding by either the PFD or the Club under the United States Bankruptcy Code (Title 11 U.S.C.) as now or hereafter in effect (“Bankruptcy Code”):

a. If this Agreement is rejected in connection with Bankruptcy Proceedings by the Club or a trustee in bankruptcy for the Club, such rejection shall be deemed an assignment by Club to the Leasehold Mortgagee (or if there is more than one Leasehold Mortgagee, to the one highest in priority) or its designee of the Leasehold Estate and all of Club’s interest under this Agreement, in the nature of an assignment in lieu of foreclosure, and this Agreement shall not terminate and the Leasehold Mortgagee shall have all the rights of the Leasehold Mortgagee under this Article 17 as if such Bankruptcy Proceedings have not occurred unless such Leasehold Mortgagee or its designee shall reject such deemed assignment by notice in writing to the PFD within thirty (30) days following rejection of this Agreement by the Club or the Club’s trustee in bankruptcy. If any court of competent jurisdiction shall determine that this Agreement shall have been terminated notwithstanding the terms of the preceding sentence as a result of rejection by the Club or the trustee in connection with any such proceeding, the rights of any Leasehold Mortgagee to a new lease from the PFD pursuant to Section 17.4.6 hereof shall not be affected thereby.

b. If this Agreement is rejected by the PFD or by the PFD’s trustee in bankruptcy: (i) the Club shall not have the right to treat this Agreement as terminated except with the prior written consent of all Leasehold Mortgagees; and the right to treat this Agreement as terminated in such event shall be deemed assigned to each and every Leasehold Mortgagee, whether or not specifically set forth in any such Leasehold Mortgage, so that the concurrence in writing of the Club and each Leasehold Mortgagee shall be required as a condition to treating this Agreement as terminated in connection with such proceeding; and (ii) If this Agreement is not treated as terminated in accordance with Section 17.4.7(b)(i), then this Agreement shall continue in effect upon all of the terms and conditions set forth herein, including rent, additional rent and all options to renew, but excluding requirements that are not then applicable pertinent to the remainder of the Term hereof. Thereafter, the Club or its successors shall be entitled to any offsets against Rent payable hereunder for any damages arising from such rejection and any such offset properly made shall not be deemed a default under this Agreement. The lien of any Leasehold Mortgage then in effect shall extend

to the continuing possessor rights of the Club following such rejection with the same priority with respect to each such Leasehold Mortgage as it would have enjoyed had such rejection not taken place.

17.5 Subordination, Attornment and Non-Disturbance.

17.5.1. Seniority of this Agreement. This Agreement and the Leasehold Estate hereby demised to the Club shall be and remain senior to any mortgages, deeds of trust and/or security interests now or hereafter encumbering the Leased Premises, except with respect to subordination accomplished under the Permitted Leasehold Mortgage, or in the future pursuant to Section 17.5.2.

17.5.2. Future Subordination of this Agreement. The Club agrees to execute a written instrument in form reasonably acceptable to the Club which subordinates this Agreement to any future deeds of trust or mortgages granted by the PFD encumbering the PFD's fee interest in the Leased Premises; provided that any such subordination agreement must contain non-disturbance provisions protecting all of the Club's rights and all Leasehold Mortgagees' rights under this Agreement (including Section 17.4 hereof), the Estoppel or any other agreement between the PFD and any Leasehold Mortgagee, regarding the use and possession of the Leased Premises, including, without limitation, the following provisions:

a. So long as this Agreement is in full force and effect and no Club Default shall have occurred and be continuing (taking into account the rights of any Leasehold Mortgagee under this Agreement (including Section 17.4 hereof), the Estoppel or any other agreement between the PFD and any Leasehold Mortgagee), the PFD mortgagee (which term includes the beneficiary under a deed of trust) shall not name or join the Club as a defendant in any exercise of the mortgagee's rights and remedies arising upon a default under the mortgage or deed of trust, unless Applicable Law requires the Club to be made a party thereto as a condition to proceeding against the mortgagor or prosecuting such rights and remedies, in which case the mortgagee may join the Club as a defendant in such action only for such purpose and not to terminate this Agreement or otherwise adversely affect the Club's rights under this Agreement;

b. In the event of foreclosure of a mortgage or deed of trust granted by the PFD encumbering the PFD's interest in the Leased Premises or upon a transfer of the Leased Premises by deed in lieu of foreclosure, so long as no Club Default shall have occurred and be continuing (taking into account the rights of any Leasehold Mortgagee under this Agreement (including Section 17.4 hereof), the Estoppel or any other agreement between the PFD and any Leasehold Mortgagee), this Agreement shall continue in full force and effect as a direct agreement between the succeeding owner of the Leased Premises and the Club, upon and subject to all of the terms, covenants and conditions of this Agreement for the balance of the Term; and

c. Such other provisions as may be agreed to by the Club and any holder of a mortgage or deed of trust granted by the PFD encumbering the PFD's interest in the Leased Premises.

ARTICLE 18
REPRESENTATIONS AND WARRANTIES

18.1 Club Representations and Warranties. The Club represents and warrants to the PFD as follows, as of the date hereof and at all times from and after the date hereof until the expiration or termination of this Agreement:

18.1.1. Valid Existence. The Club is a limited liability limited partnership duly organized and validly existing under the laws of the State of Washington. The Club has full partnership power to own its property and to conduct its business as presently conducted.

18.1.2. Power; No Limitation on Ability to Perform. The Club has full partnership power and authority to execute and deliver this Agreement and to carry out and perform all of the terms and provisions of this Agreement, and all transactions contemplated hereby, to the extent required to be carried out or performed by the Club. Neither the Club's partnership agreement nor, to the Club's knowledge, any rule, policy, constitution, by-law or agreement of Major League Baseball, nor to the Club's knowledge any other agreement, law or other rule in any way prohibits, limits or otherwise affects the right or power of the Club to enter into and perform all of the terms and provisions of this Agreement and each document, agreement and instrument executed by the Club in connection herewith, and all transactions contemplated hereby and thereby. The Club is not party to or bound by any contract, agreement, indenture, trust agreement, note, obligation or other instrument which could prohibit, limit or otherwise affect the same. Other than the consent of Major League Baseball, no consent, authorization or approval of, or other action by, and no notice to or filing with, any Governmental Authority or any other Person is required for the due execution, delivery and performance by the Club of this Agreement or any other agreement, document or instrument executed and delivered by the Club simultaneously herewith.

18.1.3. Valid Execution. The execution and delivery of this Agreement by the Club has been duly and validly authorized by all necessary action. This Agreement is a legal, valid and binding obligation of the Club, enforceable against the Club in accordance with its terms, subject to (a) bankruptcy, insolvency, reorganization or other similar laws relating to or affecting creditors' rights generally and (b) general principles of equity.

18.1.4. Defaults. The execution, delivery and performance of this Agreement and each agreement, document and instrument executed and delivered by the Club simultaneously herewith (a) do not and will not violate or result in a violation of, contravene or conflict with, or constitute a default under (i) any agreement, document or instrument to which the Club's assets may be bound or affected, (ii) to the Club's knowledge, any law, statute, ordinance or regulation applicable to the Club, or (iii) the partnership agreement or certificate of limited partnership of the Club, and (b) except as expressly set forth herein or therein, do not and will not result in the creation or imposition of any lien or other encumbrance upon the assets of the Club.

18.1.5. Maintenance of Good Standing in League. The Club shall maintain the Franchise as a Major League Baseball team in good standing with Major League Baseball.

18.1.6. Non-Relocation Agreement. The Club shall perform all its obligations under, and otherwise comply in all respects with the terms and conditions of, the Team Non-Relocation Agreement.

18.2 PFD Representations and Warranties. The PFD represents and warrants to the Club as follows, as of the date hereof and at all times from and after the date hereof until the expiration or termination of this Agreement:

18.2.1. Valid Existence. Pursuant to Chapter 36.100 RCW and King County Ordinance 12000, the PFD is a Washington municipal corporation and special purpose district.

18.2.2. Power; No Limitation on Ability to Perform. Pursuant to Chapter 36.100 RCW and King County Ordinance 12000, the PFD, through its Board of Directors, has the power and authority to execute and deliver this Agreement and to carry out and perform all of the terms and provisions of this Agreement, and all transactions contemplated hereby, to the extent required to be carried out or performed by the PFD. The PFD is not bound by any contract, agreement, indenture, trust agreement, note, obligation or other instrument which could prohibit, limit or otherwise affect the same. No consent, authorization or approval of, or other action by, and no notice to or filing with, any Governmental Authority or any other Person is required for the due execution, delivery and performance by the PFD of this Agreement or any other agreement, document or instrument executed and delivered by the PFD simultaneously herewith.

18.2.3. Valid Execution. The execution and delivery of this Agreement by the PFD has been duly and validly authorized by all necessary action. This Agreement is a legal, valid and binding obligation of the PFD, enforceable against the PFD in accordance with its terms, subject to (a) bankruptcy, insolvency, reorganization or other similar laws relating to or affecting creditors' rights generally and (b) general principles of equity. The PFD will provide to the Club a written resolution of the PFD authorizing the execution and delivery of this Agreement.

18.2.4. Defaults. The execution, delivery and performance of this Agreement (a) does not and will not violate or result in a violation of, contravene or conflict with, or constitute a default under (i) any agreement, document or instrument to which the PFD is a party or by which the PFD's assets may be bound or affected or (ii) any law, statute, ordinance or regulation applicable to the PFD, and (b) does not and will not result in the creation or imposition of any lien or other encumbrance upon the assets of the PFD.

ARTICLE 19 DEFAULT AND REMEDIES

19.1 Defaults by the Club. The occurrence of any one or more of the following events constitutes a default by the Club under this Agreement ("Club Default"):

a. Failure by the Club to carry out (i) any of its Operations consistent with the Operations Plan and the Operating Standard, or (ii) Maintenance or CapEx Work consistent with the Ballpark Management Plan and Applicable Standard, and, if such failure shall continue for more than sixty (60) days after written notice of such failure is given to the Club by the PFD; provided, however, that the Club shall not be in default with respect to matters subject to excuse pursuant to Section 19.6(c) or that cannot be reasonably cured within sixty (60) days so long as the Club has promptly commenced such cure and diligently proceeds in a reasonable manner to complete the same thereafter, taking into consideration such factors as the magnitude and complexity of the cure and any inherent delays in the prescribed approval process for accomplishing the work, including, without limitation, the issuance of any

Permits and Approvals and the expiration of any applicable appeal periods; provided however, in no event later than one hundred eighty (180) days after such issuance of the required Permits and Approvals or the Club's commencement of such cure, whichever is later, and subject to extension for Force Majeure.

b. Failure by the Club at any time to pay any sums payable by the Club to the PFD hereunder within ten (10) business days after written notice from the PFD that any such payment is past due if not paid when due; provided that the Club shall not be in default with respect to payments that are disputed in good faith so long as the Club, within such ten- (10) business day period, notifies the PFD that the Club intends to arbitrate such matter pursuant to Article 22 and thereafter diligently proceeds to pursue such arbitration; further provided , however, that if the Panel rules in favor of the PFD, and the Club has not complied with the Panel's order within ten (10) business days to pay any and all sums due and owing to the PFD, it shall be a Club Default;

c. Failure by the Club to observe or perform any other covenant, agreement, condition or provision of this Agreement, other than a failure to observe a Ballpark Obligation addressed in Section 19.1(a) above, if such failure shall continue for more than sixty (60) days after written notice of such failure is given to the Club by the PFD; provided, however, that the Club shall not be in default with respect to matters that cannot be reasonably cured within sixty (60) days so long as the Club has promptly commenced such cure, diligently proceeds in a reasonable manner to complete the same thereafter, taking into consideration such factors as the magnitude and complexity of the cure and any inherent delays in the prescribed approval process for accomplishing the work, including, without limitation, the issuance of any Permits and Approvals and the expiration of any applicable appeal periods; provided however, in no event later than one hundred eighty (180) days after such issuance of the required Permits and Approvals or the Club's commencement of such cure, whichever is later, and subject to extension for Force Majeure.

d. The Club admits in writing its inability to pay its debts as they mature, or makes an assignment for the benefit of creditors, or applies for or consents to the appointment of a trustee or receiver for the Club;

e. A trustee or receiver is appointed for the Club and is not discharged within ninety (90) days after such appointment; or

f. Bankruptcy, reorganization, receivership, arrangement, insolvency or liquidation proceedings, or other proceedings for relief under any federal or state bankruptcy law, or similar law for the relief of debtors (collectively, and each individually, "Bankruptcy Proceedings"), are instituted by or against the Club, and, if instituted against the Club, are allowed against it or are consented to by it or are not dismissed within ninety (90) days after such institution.

19.2 PFD's Remedies. If a Club Default occurs, in addition to any other rights or remedies the PFD may have at law or in equity, the PFD shall have the following rights:

a. After the time when the PFD has given notice and any applicable cure period provided has expired, if any sums payable by the Club shall remain due and payable, or after the time for performance by the Club of any term, covenant, provision or condition of this Agreement, or before the expiration of that time in the event of a bona fide emergency (in which case the PFD shall only be required to give notice as is reasonable and practical under the circumstances), the PFD may, at the PFD's election (but without obligation), make such payment required of the Club under this Agreement, or perform or comply with such covenant or condition imposed on the Club under this Agreement, as the PFD deems advisable, from the proceeds of the CapEx Fund and Reserve Letter of Credit, established reserves or otherwise. Amounts so paid from other than the CapEx Fund and Reserve Letter of Credit, plus interest on such sums at the Applicable Rate, shall be deemed to be additional Rent payable by the Club immediately upon demand. No such payment, performance or compliance by the PFD shall constitute a waiver of default or of any remedy for default. The PFD may, with notice to the Club and at any time or from time to time, charge, set off, and otherwise apply all or any part of any costs incurred by the PFD in connection with its performance of the Club's obligations against any of the PFD's obligations now or in the future. Any amounts which constitute a Club Default arising under Section 19.1(b) shall bear interest at the Applicable Rate compounded monthly from the date such amount became due and payable until such Club Default is cured. If the Club disputes whether a Club Default has occurred, the nature of any work performed or the costs and expenses incurred by the PFD in performing the Club's Ballpark Obligations, it may submit such dispute to the procedures set forth in Article 22. If the Panel rules for the Club in such dispute, the PFD shall replenish the CapEx Fund and reimburse the Club for the Reserve Letter of Credit, if applicable, up to the amount of any costs and expenses disallowed by the Panel.

b. If a Club Default under Section 19.1(a) has occurred, prior to exercising any rights or remedies it has available other than pursuant to Section 19.2(a), the PFD shall submit such dispute to the procedures set forth in Article 22, provided that the sole questions presented to the Panel shall be whether the Club materially failed to perform: (i) Operations in accordance with the Operations Plan and Operating Standard, or (ii) Maintenance or CapEx Work in accordance with the Ballpark Management Plan or Applicable Standard. If the Panel rules in the PFD's favor, and the Club fails to comply with the Panel's determination within sixty (60) days after the Panel's notice thereof (provided, however, that the Club shall not be in default with respect to matters that cannot be reasonably cured within sixty (60) days so long as, if required, the Club has promptly applied for the required Permits and Approvals, and after issuance of the required Permit and Approvals commences such cure, diligently proceeds in a reasonable manner to complete the same thereafter, or otherwise effectuates such cure as soon as reasonably practicable, but in no event later than one hundred eighty (180) days thereafter (subject to Force Majeure), the PFD shall have the following rights and remedies:

i. The PFD shall have the right to terminate all or part of the management responsibilities of the Club and retain separate management therefor, pursuant to Section 19.3. Termination of the Club's management authorities and responsibilities pursuant to this

Section 19.2(b)(i) shall not relieve the Club of any of its other obligations under this Agreement to continue to make the payments as set forth in Article 5, to bear the Operating Expenses, Maintenance Expenses and CapEx Expenses, to fund the CapEx Fund pursuant to Article 7 and to maintain the Reserve Letter of Credit in accordance with Section 7.7. If the date upon which any such termination would be effective falls during Spring Training or within any Season during the Term, the effective date of such termination shall be the first day of the month following the Seattle Mariners' final home game of such Season. Any such termination of management responsibilities shall have no effect upon the Club's tenancy, Rent and other rights and obligations hereunder, including, but not limited to, the Club's obligations to pay Operating Expenses, Maintenance Expenses and CapEx Expenses throughout the Term, which shall all remain in full force and effect.

ii. The PFD may enforce the provisions of this Agreement by a suit or suits in equity or at law for the specific performance of any covenant or agreement contained herein, or for the enforcement of any appropriate legal or equitable remedy, including recovery of monetary damages and all moneys due or to become due from the PFD under any of the provisions of this Agreement, or any other relief or remedy to the extent permitted by law, by filing a cause of action or actions for such damages, equitable relief, or other appropriate remedy or relief from the Club in the Superior Court of the State for the County;

iii. The PFD may terminate this Agreement upon thirty (30) days' written notice to the Club. If the date upon which any such termination would be effective falls during Spring Training or within any Season during the Term, the effective date of such termination shall be the first day of the month following the Seattle Mariners' final home game of such Season. No termination of by the PFD of this Agreement pursuant to a Club Default shall deprive the PFD of any of its remedies or actions against the Club for sums due to the PFD from the Club hereunder. The PFD may exercise any of its remedies hereunder with or without exercise of its right to terminate hereunder. No action on the part of the PFD shall be deemed to be a termination of this Agreement unless expressly stated by the PFD to be intended to be a termination.

c. For any Club Default other than a Club Default pursuant to Section 19.1(a), the PFD shall have all of the rights and remedies set forth in Section 19.2(b)(ii) and (iii); provided, however, that in the event of a Club Default resulting from a breach by the Club of Section 18.1.6, the PFD shall avail itself of all the rights and remedies set forth in the Team Non-Relocation Agreement.

19.3 Alternative Management. If and to the extent the Club's management responsibilities have been terminated by the PFD pursuant to Section 19.2(b)(i), the PFD shall undertake to provide, designate or otherwise arrange for alternative management of the Leased Premises. The Club agrees to cooperate with the new manager and to continue to timely provide sufficient funds from Ballpark Derived Revenues to satisfy and pay for the obligations and responsibilities assigned to the new manager as a result of the termination of the Club's management responsibilities, specifically including commercially

reasonable management fees and costs. If the Parties are unable to reach mutually acceptable arrangements under which alternative management will undertake management responsibilities and receive sufficient funding therefor from the Club from Ballpark Derived Revenues, the Club shall respect and comply with the PFD's plan and directions therefor and invoke the dispute resolution provisions set forth in Article 22. The PFD's plan and directions shall be amended to reflect any changes determined to be necessary or appropriate pursuant to any dispute resolution process.

19.3.1. Restoration to Club of Ballpark Management Responsibilities. The Club may petition the PFD for restoration to the Club of management responsibilities terminated as provided herein. Upon a showing of the Club's good faith willingness and ability to undertake and faithfully execute any such terminated responsibilities, the PFD may, in its reasonable discretion, restore to the Club any management responsibilities so terminated.

19.3.2. Relative Roles When Ballpark Obligations Terminated. If and to the extent any of the Club's Ballpark Obligations have been terminated as provided herein, this Agreement shall be liberally construed to cause and require the PFD and its alternative manager, if any, to assume all related Club responsibilities for such Ballpark Obligations other than and excepting the Club's financial responsibilities with respect thereto. Under no circumstances shall failure of the PFD to fund the Ballpark Obligations be considered a PFD Default. The PFD and its alternate manager, if any, also shall assume the Club's planning responsibilities under Article 6, and the Club shall have the right to review and comment on any such plans, but shall have no approval rights thereunder.

19.4 No Bonding Required. The PFD shall not be required to post any bond in connection with any action or proceeding filed by the PFD to enforce this Article 19.

19.5 Default by PFD. The occurrence of any one or more of the following events constitutes a default by the PFD under this Agreement ("PFD Default"):

a. Failure by the PFD at any time to pay any sums payable by the PFD to or on behalf of the Club hereunder, including failure to make any PFD CapEx Contribution as and when required or to pay to the Club funds from the County Tax Revenue Fund in accordance with Section 7.5.6, upon the satisfaction of the conditions precedent in Section 7.5.4, within ten (10) business days after written notice from the Club that any such payment is past due if not paid when due; provided, however, that the PFD shall not be in default with respect to payments that are disputed in good faith by the PFD so long as the PFD, within such ten- (10) business day period, notifies the Club that the PFD intends to arbitrate such matter pursuant to Article 22 and thereafter diligently proceeds to pursue such arbitration;

b. Failure of the PFD to observe or perform any other covenant, agreement, condition or provision of this Agreement; provided, however, that the PFD shall first be given a written notice of default containing sufficient specificity to enable the PFD to determine precisely what action is requested as cure; and provided further, that the PFD shall be given a reasonable opportunity following receipt of such notice to cure the default, taking into consideration such factors as the magnitude and complexity of the cure and any inherent delays in the prescribed approval process for accomplishing work;

- c. Failure of the PFD to fully perform its covenant under Section 7.5.7;
- d. A trustee or receiver is appointed for the PFD and is not discharged within ninety (90) days after such appointment; or
- e. Bankruptcy Proceedings are instituted by or against the PFD, and, if instituted against the PFD, are allowed against it or are consented to by it or are not dismissed within ninety (90) days after such institution.

19.6 Club's Remedies. If a PFD Default occurs, the Club shall have the following rights:

a. The Club may enforce the provisions of this Agreement by a suit or suits in equity or at law for the specific performance of any covenant or agreement contained herein, or for the enforcement of any appropriate legal or equitable remedy, including recovery of monetary damages and all moneys due or to become due from the Club under any of the provisions of this Agreement, or any other relief or remedy to the extent permitted by law, by filing a cause of action or actions for such damages, equitable relief, or other appropriate remedy or relief from the PFD in the Superior Court of the State for the County; provided, the Club shall not have a right to terminate this Agreement in the event of a PFD Default.

b. After the time when the Club has given notice and any applicable cure period provided has expired, if any sums payable by the PFD shall remain due and payable, or after the time for performance by the PFD of any other term, covenant, provision or condition of this Agreement, or before the expiration of that time in the event of a bona fide emergency (in which case the Club shall only be required to give such notice as is reasonable and practical under the circumstances), the Club may, at the Club's election (but without obligation), make such payment required of the PFD under this Agreement, or perform or comply with any such covenant or condition imposed on the PFD under this Agreement, as the Club deems available. The amount so paid, plus the cost of such performance or compliance, plus interest on such sums at the Applicable Rate, shall be payable by the PFD immediately upon demand. No such payment, performance or compliance by the Club shall constitute a waiver of default or of any remedy for default. In the event the PFD does not have sufficient lawfully available funds to pay any damages for which the PFD becomes liable hereunder, the amount of such deficiency shall be applied as a credit to the Rent due hereunder in the order of the next maturing installments.

c. For a PFD Default pursuant to Section 19.5(a) resulting from the PFD's failure to: (i) make a PFD CapEx Contribution as and when required, or (ii) pay to the Club funds from the County Tax Revenue Fund in accordance with Section 7.5.6, upon the satisfaction of the conditions precedent in Sections 7.5.4 and 7.5.5; or (iii) perform its covenant under Section 7.5.7, the Club shall be excused for the duration of such PFD Default from performance of its obligations under Section 7.1, but only to the extent of its inability to perform CapEx Work that would otherwise have been funded (iv) by a PFD CapEx Contribution, (v) pursuant to the PFD's obligations under Section 7.5.6, or (vi) but for the PFD's breach of its covenant under Section 7.5.7.

19.7 General Provisions.

a. Except as otherwise expressly set forth in this Agreement, no right or remedy conferred upon or reserved to the PFD or the Club under this Agreement is intended to be exclusive of any other right or remedy, but each shall be cumulative and in addition to every other right or remedy given herein or now or hereafter existing at law, in equity or by statute.

b. No waiver by either Party of any breach of obligations, agreements, or covenants herein shall be a waiver of any subsequent breach of any obligation, agreement or covenant, nor shall any forbearance by either Party to seek a remedy for any breach by the other Party be a waiver by such Party of any rights or remedies with respect to such or any subsequent breach, nor shall any express waiver by either Party be deemed to apply to any other existing or subsequent right to remedy any default by the other Party, nor shall any waiver by either Party of any default or breach by the other Party in the performance of any of the covenants or obligations of such other Party under this Agreement be deemed to have been made by the Party against which the waiver is sought to be charged unless contained in a writing executed by such Party.

c. In the event that either Party fails to pay any payment required hereunder when due, then, without limiting any other rights of the non-defaulting Party, the defaulting Party shall be liable for interest thereon at the Applicable Rate from the date that such installment was due until the date paid in full.

**ARTICLE 20
TAX MATTERS**

20.1 General. The Club is solely and exclusively responsible for all taxes and assessments of any kind or nature levied on the Club, its possession of the Leased Premises and its obligations in operating the Leased Premises (including applicable leasehold excise taxes more specifically referred to below). Notwithstanding the foregoing, the PFD shall be solely responsible for payment of all assessments levied by the City in association with the local improvement district to support the “Waterfront Seattle Program” (the “Waterfront LID”, and the assessment levied by the Waterfront LID being the “Waterfront LID Assessment”). The PFD agrees to consult with the Club prior to considering its participation in any other local improvement district, or its support for any other assessment levied by the Waterfront LID other than the Waterfront LID Assessment, or any other assessment not in effect on the Effective Date for which the Club may be responsible under this Agreement. Should the PFD be granted the authority to levy taxes or assessments, the PFD agrees it shall not levy any taxes or assessments against only the Club, the Club’s operations of the Leased Premises, or the Leased Premises. Notwithstanding the foregoing, the PFD may continue to impose the Parking Tax and may impose the Admissions Tax against only the Club, the Club’s operations of the Leased Premises, or the Leased Premises if the County’s authority to levy and collect such tax were assumed by the PFD under Applicable Law.

20.2 Leasehold Excise Tax. The Parties acknowledge that under RCW 82.29A130(14), certain portions of the Leased Premises will be exempt from the leasehold excise tax imposed pursuant to RCW 82.29A.030 and 82.29A.040. Based on such exemption, the Parties acknowledge that only those portions of the Leased Premises that contain the private offices (“Offices”) and locker room/clubhouse (“Clubhouse”) of the Club will be subject to leasehold excise tax, and such tax will be determined as set forth in this Section 20.2.

20.2.1. Square Foot Measurements. The Offices and Clubhouse contain approximately 66,825 square feet (38,250 square feet in the Offices and 28,575 rentable square feet in the Clubhouse). The Ballpark (including the Offices and Clubhouse, but excluding the playing field) contains approximately 1,035,810 square feet. Accordingly, the Parties agree that the Offices and Clubhouse, taken together, constitute 6.45% of the total square foot area of the Ballpark and the leasehold excise tax during each Lease Year shall be based upon 6.45% of the Base Rent for such Lease Year.

ARTICLE 21 ELECTIVE DISPUTE RESOLUTION

21.1 Generally. Any claim or dispute between the Parties relating to the requirements of this Agreement (other than those required to be resolved pursuant to the provisions of Article 22) may be submitted in writing by a Party to a non-binding dispute resolution process as described below, or any other dispute resolution process agreed to by the Parties in writing. Throughout the process, the PFD and the Club shall proceed in a timely manner and in good faith to resolve such claims or disputes based on accurate and shared information and on a confidential basis.

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

21.3 Mediation. If the procedure required by Section 21.2 does not result in resolution of the claim or dispute, then within ten (10) calendar days after the last conference meeting or final exchange of written positions, either Party may initiate a non-binding, structured mediation to be developed by the Parties with the assistance of individuals or organizations experienced in alternative dispute resolution (“ADR”). The Club and the PFD shall agree on a single qualified mediator. Such ADR process will be initiated within thirty (30) days of the request unless extended by an agreement of both Parties. The ADR procedures utilized for the mediation shall include the exchange of written claims and responses, with supporting information, at least ten (10) days prior to the actual mediation. The mediator’s recommendations and/or findings shall be maintained as confidential by the Parties to the extent permitted by Applicable Law.

ARTICLE 22 BINDING DISPUTE RESOLUTION

22.1 Generally. Any claim or dispute between the Parties relating to matters identified for resolution pursuant to this Article 22 shall be submitted in writing by the Parties to a dispute resolution process as described below. Throughout the process, the PFD and the Club shall proceed in a timely manner and in good faith to resolve such claims or disputes based on accurate and shared information and on a confidential basis.

22.2 Pre-Arbitration. The Parties shall make a good faith effort to resolve any dispute or claim by negotiation between representatives with decision-making power. If resolution does not result, the PFD and the Club shall then attempt to resolve the dispute through a conference of the Chair of the PFD Board and the Club Chief Executive Officer or President. The procedures utilized for the conference

shall include the exchange of written claims and responses, with supporting information, at least seven (7) days prior to the conference or such shorter period as agreed to by the Parties. The positions expressed, responses and submitted information shall not be admissible as evidence in any subsequent arbitration or legal proceeding.

22.3 Arbitration. If the procedure required by Section 22.2 does not result in resolution of the claim or dispute, then within ten (10) days after the last conference meeting or final exchange of written positions, either Party may initiate a binding arbitration in accordance with the following provisions and Chapter 7.04A RCW (or any successor provision thereto) or any other method of arbitration mutually agreed to by the Parties.

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

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

22.3.3. Joinder. The Club or PFD may join any other party to the arbitration who is needed for just adjudication. The standard for joinder of any other party shall be provided under Rule 19 of the Washington Rules of Civil Procedure.

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

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

22.3.6. Award. The Panel shall render its award in a written decision within thirty (30) days of the conclusion of the hearings. In rendering its award the Panel shall have full

authority to interpret and apply the terms of this Agreement, but shall have no authority to add to, or subtract from or otherwise modify or amend the terms of this Agreement.

22.3.7. Judgment on Award. The award of the majority of the arbitrators shall be final and binding on the Parties and judgment may be entered on such award in the Superior Court of the State for the County.

22.3.8. Attorneys' Fees. Each Party will bear its own attorneys' fees and costs and shall not request an award of attorneys' fees or costs in the formal dispute resolution process under this Article, unless specifically allowed under Section 23.22.

ARTICLE 23 MISCELLANEOUS

23.1 Covenant of Good Faith and Fair Dealing. This Agreement imposes an obligation of good faith and fair dealing in its performance and enforcement. Each of the Parties, with a shared commitment to honesty and integrity in the performance and administration of this Agreement, agrees to the following mutual duties:

- a. Each will function within Applicable Law related to their duties and responsibilities;
- b. Each will assist in the other's performance to the extent such assistance can be achieved without material expense;
- c. Each will avoid hindering the other's performance;
- d. Each will proceed to fulfill its obligations under this Agreement diligently and honestly; and
- e. Each will cooperate in the common endeavor of administration of the operation, maintenance and management of the Leased Premises in a timely and efficient manner.

23.2 No Joint Venture. Nothing in this Agreement shall be construed as creating a joint venture or any other partnership between the PFD and the Club. To the extent the Club manages the Leased Premises hereunder, the Club shall be an independent contractor of the PFD.

23.3 Governing Law; Venue. This Agreement is made, and shall be construed under, the laws of the State of Washington. Each party agrees that, except with regard to matters required to be submitted to the dispute resolution provisions of Article 22, the Superior Court for the State located in the County shall have the exclusive jurisdiction and venue for any dispute under this Agreement, and each party hereby consents to jurisdiction in such court.

23.4 Force Majeure. Should any fire or other casualty, act of God, earthquake, flood, epidemic, landslide, war, riot, civil commotion, general unavailability of certain materials, strike, lockout, labor dispute or other occurrence reasonably beyond the control of the Club or the PFD (any of the foregoing hereinafter referred to as "Force Majeure") prevent performance of any non-monetary obligation of this Agreement in accordance with its provisions, performance of such non-monetary obligation of this Agreement by such Party shall be suspended or excused to the extent commensurate

with such interfering occurrence, except as specifically provided herein. For the avoidance of all doubt, this paragraph shall not suspend or excuse any of the payment obligations of either Party.

23.5 Reasons for Disapproval. Whenever in this Agreement a Party is given the right to consent to, approve or disapprove any matter or action, any disapproval shall be timely and reasonable and shall state the specific reasons therefor, except where it is specifically provided that a Party may withhold consent or approval or otherwise act in its sole discretion.

23.6 Successor Bound. The covenants, terms, provisions and conditions of this Agreement shall be binding upon and inure to the benefit of the PFD and the Club and their respective successors and, to the extent permitted herein, assigns. In the event of a sale or conveyance by the PFD of the Leased Premises, the PFD shall be released from any and all liability under this Lease. Except as set forth in this Section 23.6, this Lease shall not be affected by any such sale or transfer, and the Club agrees to attorn to the purchaser or assignee.

23.7 Words of Limitation. Whenever the words “including,” “including but not limited to” or “by way of example” or any other similar prefatory words are used throughout this Agreement, such words shall be deemed to preface an example or list of examples, which examples are set forth for informational purposes only and not for purposes of limitation.

23.8 Captions and Headings. The captions and headings throughout this Agreement are for convenience and reference only and the words contained therein shall in no way be held or deemed to define, limit, describe, explain, modify amplify or add to the interpretation, construction or meaning of any provisions of this Agreement or the scope or intent thereof, nor in any way affect this Agreement.

23.9 Plural/Singular. Wherever appropriate herein, the singular includes the plural and the plural includes the singular.

23.10 Execution of Counterparts. This Agreement may be simultaneously executed in two or more counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

23.11 Further Assurances. The Club and the PFD shall execute, acknowledge and deliver, after the date hereof, without additional consideration, such further assurances, instruments and documents and shall take such further actions, as the PFD or the Club shall reasonably request of the other in order to fulfill the intent of this Agreement and the transactions contemplated thereby.

23.12 No Third-Party Beneficiary. The Parties understand and agree that the enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the PFD, the Club and MLB, or their successors or assigns, and nothing contained in this Agreement shall give or allow any such claim or right of action by any third person or entity (other than MLB) whatsoever on such Agreement.

23.13 Amendment; Waiver. Notwithstanding anything herein to the contrary, this Agreement may not be amended, supplemented or otherwise modified, and no provision herein may be waived, unless all necessary MLB Approvals have been obtained in advance thereof. No alteration, amendment or modification hereof shall be valid unless executed by an instrument in writing by the Parties hereto with the same formality as this Agreement. The failure of the Club or the PFD to insist in any one or more instances upon the strict performance of any of the covenants, agreements, terms, provisions or conditions of this Agreement or to exercise any election herein contained shall not be construed as a waiver or relinquishment for the future of such covenant, agreement, term, provision, condition, election

or option, but the same shall continue and remain in full force and effect. No waiver by the Club or the PFD of any covenant, agreement, term, provision or condition of this Agreement shall be deemed to have been made unless expressed in writing and signed by an appropriate official on behalf of the PFD or the Club. The payment by either Party of sums due and payable hereunder, with knowledge of the breach of any covenant, agreement, term, provisions or condition herein contained, shall not be deemed a waiver of such breach. No payment by a Party or receipt by a Party of a lesser amount than the Rent or any other sum due under this Agreement shall be deemed to be other than on account of the earliest stipulated payment, nor shall any endorsement or statement of any check or any letter accompanying any check or payment be deemed an accord and satisfaction or a modification of any obligations under this Agreement, or a limitation on the right of the Party entitled to payment to recover the balance of such payment or pursue any other remedy provided in this Agreement.

23.14 Severability. If any article, section, subsection, term or provision of this Agreement or the application thereof to any party or circumstance shall, to any extent be invalid or unenforceable, the remainder of the article, section, subsection, term or provision of this Agreement or the application of same to Parties or circumstances other than those to which it is held invalid or unenforceable shall not be affected thereby and each remaining article, section, subsection, term or provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

23.15 Confidentiality. Each Party agrees to hold in confidence all information regarding the other Party and its business or operations, other than information which is required by law to be disclosed or which is or becomes publicly available or which is required to be disclosed by Club to MLB. The Parties agree to use any and all such confidential information only in accordance with the purposes and intent of this Agreement. This duty shall survive termination or expiration of this Agreement.

23.16 Indemnification; Waiver and Limitation of Liability.

23.16.1.By the Club. The Club agrees to defend, indemnify and hold harmless the PFD and its board members, officers, employees and agents (collectively with the PFD, the “PFD Indemnified Parties” and each, an “PFD Indemnified Party”) from and against all liabilities, costs, damages and expenses, including reasonable attorneys’ fees and court costs (including those incurred in Bankruptcy Proceedings), with respect to any third-party claim arising out of (a) any breach of this Agreement by the Club or (b) the Club’s or the Club’s employees’, agents’, consultants’, contractors’ or invitees’ use, operation and possession of the Leased Premises. The Club shall indemnify each PFD Indemnified Party with respect to any and all third-party claims as set forth above provided that: (i) the PFD Indemnified Party promptly notifies the Club in writing of the claim; (ii) the Club has sole control of the defense and all related settlement negotiations with respect to the claim, provided, however, that the PFD Indemnified Party has the right, but not the obligation, to participate in the defense of any such claim or action through counsel of its own choosing; and (iii) the PFD Indemnified Party cooperates fully to the extent necessary, and executes all commercially reasonable documents necessary for the defense of such claim. To the extent necessary to fully indemnify the PFD from claims made by the Club or its employees, the indemnity set forth in this Section 23.16.1 constitutes a waiver of the Club’s immunity under the Washington Industrial Insurance Act, Title 51 RCW.

23.16.2.By the PFD. The PFD agrees to defend, indemnify and hold harmless the Club and its members, partners, employees and agents, and the officers and directors and trustees of each Club member and partner (collectively with the Club, the “Club Indemnified Parties” and each, a “Club Indemnified Party”) from and against all liabilities, costs, damages and expenses, including reasonable attorneys’ fees and court costs (including those incurred in

Bankruptcy Proceedings), with respect to any third-party claim arising out of (a) any breach of this Agreement by the PFD or (b) the PFD's or the PFD's employees', agents', consultants', contractors' or invitees' use or operation of the District Offices or the Leased Premises. The PFD shall indemnify each Club Indemnified Party with respect to any and all third-party claims as set forth above provided that: (i) the Club Indemnified Party promptly notifies the PFD in writing of the claim; (ii) the PFD has sole control of the defense and all related settlement negotiations with respect to the claim, provided, however, that the Club Indemnified Party has the right, but not the obligation, to participate in the defense of any such claim or action through counsel of its own choosing; and (iii) the Club Indemnified Party cooperates fully to the extent necessary, and executes all commercially reasonable documents necessary for the defense of such claim.

23.16.3.Limitations. In compliance with RCW 4.24.115 as in effect on the Effective Date, all provisions of this Lease pursuant to which the PFD or the Club (the "Indemnitor") agrees to indemnify the other (the "Indemnitee") against liability for damages arising out of bodily injury to persons or damage to property relative to the construction, alteration, repair, addition to, subtraction from, improvement to, or maintenance of, any building, road, or other structure, project, development, or improvement attached to real estate, including the Leased Premises, (a) shall not apply to damages caused by or resulting from the sole negligence of the Indemnitee, its agents or employees, and (b) to the extent caused by or resulting from the concurrent negligence of (i) the Indemnitee or the Indemnitee's agents or employees, and (ii) the Indemnitor or the Indemnitor's agents or employees, shall apply only to the extent of the Indemnitor's negligence; provided, however, the limitations on indemnity set forth in this Section 23.16.3 shall automatically and without further act by either the PFD or the Club be deemed amended so as to remove any of the restrictions contained in this Section 23.16.3 no longer required by then-applicable law.

23.17 Estoppel Certificates. The PFD and the Club shall, at any time and from time to time but in no event more frequently than twice in any Lease Year, upon not less than twenty (20) days' prior written request by the other, execute, acknowledge and deliver to the other party, or the designee of the other party, a statement in writing (each, an "Estoppel Certificate") certifying (a) that this Agreement is unmodified and in full force and effect (or, if there have been modifications, that this Agreement is in full force and effect as modified and identifying the modifications); (b) confirming the commencement and expiration dates of the Term; (c) that, to the best knowledge of the certifying party (without specific investigation or study), there are no defaults under this Agreement and there are no defenses, setoffs or counterclaims against the enforcement of this Agreement; (d) the dates to which Rent and other amounts owing under this Agreement are paid in advance; and (e) any other information which is reasonably requested by the addressee. The addressee of each Estoppel Certificate and the Leasehold Mortgagee shall be authorized to rely on the Estoppel Certificate for any and all reasonable purposes disclosed at the time the Estoppel Certificate is requested. If either party fails to deliver an Estoppel Certificate within the time period set forth above, the party shall be deemed to have acknowledged (i) that this Agreement is in full force and effect and has not been assigned, amended or modified and (ii) that there are no defaults, defenses, setoffs or counterclaims under this Agreement existing as of the date of the written request for such Estoppel Certificate.

23.18 Notice Provisions. All notices, demands, requests and other communications required or permitted hereunder shall be in writing, and shall be (a) personally delivered with a written receipt of delivery; (b) sent by a nationally-recognized overnight delivery service requiring a written acknowledgement of receipt or providing a certification of delivery or attempted delivery; (c) sent by certified or registered mail, return receipt requested; or (d) sent by electronic delivery. All notices shall be deemed effective when actually delivered as documented in a delivery receipt; provided, however, that if the notice was sent by overnight courier or mail as aforesaid and is affirmatively refused or cannot be

delivered during customary business hours by reason of the absence of a signatory to acknowledge receipt, then the first attempted delivery shall be deemed to constitute delivery. Each party shall be entitled to change its address for notices from time to time by delivering to the other party notice thereof in the manner herein provided for the delivery of notices. All notices shall be sent to the addressee at its address set forth following its name below:

PFD: Washington State Major League Baseball
Stadium Public Facilities District
110 Edgar Martinez Dr. S
Seattle, WA 98134
Attn: Executive Director
Telephone: (206) 664-3079

with a copy to: Pacifica Law Group
1191 Second Avenue, Suite 2000
Seattle, WA 98101-3404
Attn: Gerry Johnson
Telephone: (206) 245-1700

Club: The Baseball Club of Seattle, LLLP
1250 First Avenue S.
Seattle, WA 98134
Attn: President
Telephone: (206) 346-4001

with a copy to: Perkins Coie
1201 Third Avenue, 40th Floor
Seattle, WA 98101-3099
Attn: Serena S. Carlsen
Tel. No. (206) 359-8000

23.19 Covenant of Quiet Enjoyment. The PFD covenants that if, and so long as, the Club keeps and performs each and every covenant, agreement, term, provision and condition of this Agreement on the part and on behalf of the Club to be kept and performed, the Club shall quietly enjoy its rights under this Agreement without hindrance or molestation by the PFD or by any other person lawfully claiming the same by, through or under the PFD, subject to the covenants, agreements, terms, provisions and conditions of this Agreement.

23.20 Short Form Lease. The PFD and the Club shall execute and acknowledge a short form of this Agreement, sufficient to give notice of the leasehold estate created hereunder, including the renewal option periods. The short form lease may be recorded in the real property records of King County, Washington, at the Club's expense.

23.21 Surrender. At the expiration or earlier termination of this Agreement, the Club shall deliver the Leased Premises (exclusive of the Club's trade fixtures and personal property, which the Club shall be entitled to remove, provided that the Club diligently repairs any damage caused by such removal) in good and serviceable condition, having been maintained to the Applicable Standard and taking into account normal wear and tear not yet of a degree that requires repair or replacement to meet the Applicable Standard, and subject to the terms and provisions of Sections 7.8.4 through 7.8.6, Sections 25.2 through 25.4 and Section 25.6.

23.22 Attorneys' Fees. If any action or proceeding, whether judicial or non-judicial, is commenced with respect to any claim or controversy arising from a Club Default, a PFD Default, or with respect to third-party claims covered under Section 23.16, in addition to any and all other relief, the substantially prevailing party in such action or proceeding shall receive and be entitled to recover all costs and expenses, including reasonable attorneys' fees and costs, incurred by it on account of or related to such action or proceeding. As used herein, the term "substantially prevailing party" means the party that has obtained substantially the relief sought, whether by compromise, settlement or judgment.

23.23 Termination of Existing Agreement. Effective upon the mutual execution of this Agreement, that certain Project Close-Out and Settlement Agreement dated February 15, 2001 shall automatically terminate and be of no further force or effect. As of the Effective Date, any and all unanticipated capital costs, as referenced in such settlement agreement, shall constitute CapEx Work pursuant to this Agreement.

23.24 Changed Circumstances. If any Governmental Authority takes any action that may have a material detrimental impact on the Club's ability to operate the Leased Premises or to comply with the terms of this Agreement, including issuance of final approvals necessary for the development of a sports and entertainment complex within a one-mile radius of the Leased Premises, the PFD will, in good faith, cooperate and discuss with the Club options to mitigate the impact of such actions. Unless otherwise specifically agreed in writing by the PFD, the PFD shall have no financial obligation to mitigate any such impacts, nor shall the Club have any right to terminate this Agreement arising from such detrimental governmental action.

23.25 No Special Damages. Under no circumstances whatsoever shall either Party ever be liable to the other for punitive, consequential or special damages arising out of or relating to this Lease, under common law or by way of tort. The Parties hereby waive any and all rights each may have to such damages arising out of or relating to this Lease, including, but not limited to, damages incurred as a result of either Party's default under this Lease, and/or either Party's breach of common law, tort or statutory duties owed to the other, if any.

23.26 Authority. Each individual executing this Lease on behalf of the Club hereby covenants and warrants that s/he is duly authorized to execute and deliver this Lease on behalf of the Club in accordance with the terms of such entity's partnership agreement. The Club shall provide the PFD on demand with such evidence of such authority as the PFD shall reasonably request, including, without limitation, resolutions, certificates and opinions of counsel.

23.27 OFAC Compliance.

23.27.1.Representations. The Club certifies, represents, warrants and covenants that: (a) it is not acting and will not act, directly or indirectly, for or on behalf of any person, group, entity, or nation named by any Executive Order or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person", or other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule, or regulation that is enforced or administered by the Office of Foreign Assets Control; and (b) it is not engaged in this transaction, directly or indirectly on behalf of, or instigating or facilitating this transaction, directly or indirectly on behalf of, any such person, group, entity or nation.

23.27.2.Indemnification. The Club hereby agrees to defend (with counsel reasonably acceptable to the PFD), indemnify and hold harmless the PFD from and against any and all claims, suits, expenses or liabilities arising from or related to any such breach of the foregoing certifications, representations, warranties and covenants.

23.28 Compliance with Laws. The Club shall comply at all times with Applicable Law related to its use, operation, management, maintenance, repair, replacement and improvement of the Leased Premises. The PFD shall comply at all times with Applicable Law related to its use and operation of the District Offices and the Leased Premises.

23.29 MLB Subordination. Notwithstanding any other provision of this Agreement, this Agreement and any rights or exclusivities granted by the Club hereunder shall be in all respects subordinate to the MLB Rules. The issuance, entering into, amendment or implementation of any of the MLB Rules shall be at no cost or liability to any MLB Entity or to any individual or entity related thereto. The territory within which the PFD is granted rights is limited to, and nothing herein shall be construed as conferring on the PFD rights in areas outside of, the Home Television Territory of the Seattle Mariners, as established and amended from time to time. No rights, exclusivities or obligations involving the Internet or any interactive or online media (as defined by the applicable MLB Entities) are conferred by this Agreement, except as are specifically approved in writing by the applicable MLB Entities. Without in any way diminishing the subordination of this Agreement to the MLB Rules, the Club agrees in any event that if compliance by it with the MLB Rules results in a failure by the Club to fulfill its obligations under this Agreement, the PFD may enforce remedies for the Club's failure to fulfill its obligations as provided in this Agreement.

ARTICLE 24 RELINQUISHMENT OF DECLARATION

The PFD shall relinquish its existing Declaration of Restrictive Covenants and modify that certain Quitclaim Deed and Easement on the 1st Avenue/Edgar Martinez Drive corner property recorded under King County Auditor's File No. 20010416001161, in the real property records of King County, if the Club diligently commences development of the real property therein by December 31, 2023 to remove the rights of PFD contained therein. If the Club fails to commence development by such date but commences development at a later date, the PFD will discuss with the Club releasing or modifying such Declaration and Easement, but the PFD shall have no obligation to release or modify the same.

ARTICLE 25 CONDEMNATION

25.1 General. "Condemnation" and "Condemn" mean the taking of property by exercise of the power of eminent domain, whether by formal condemnation proceedings or by purchase under threat of exercise of the power of eminent domain proceedings. "Condemnation Award" means all amounts paid with respect to any Condemnation, including amounts paid voluntarily by a condemning authority and amounts paid pursuant to a court order, and including amounts paid for Condemnation of fee title interests and amounts paid for Condemnation of leasehold interests.

25.2 Condemnation of Material Part. In the event that a material part of the Leased Premises is Condemned during the Term, the Club shall have the right to terminate this Agreement by giving written notice to the PFD within ninety (90) days after the date the PFD shall have given the Club written notice of the Condemnation (except as provided in Section 25.3 below). As used in this Article 25, Condemnation of a material part includes, without limitation, Condemnation of part of the Leased Premises so that (i) the Club cannot reasonably use the Leased Premises for its intended use or (ii) it is impossible for the Club to use the Leased Premises for its intended use or (iii) the Club suffers a material loss of Ballpark Derived Revenues.

25.3 Club Election to Treat as Condemnation of Nonmaterial Part. Notwithstanding Section 25.2, the Club may elect in its sole discretion, by written notice given to the PFD, to treat a Condemnation

of a “material part” of the Leased Premises as Condemnation of a “nonmaterial part” of the Leased Premises, in which event this Agreement shall not terminate, and the provisions of Section 25.4 shall apply.

25.4 Condemnation of Nonmaterial Part. If a nonmaterial part of the Leased Premises is Condemned, or if the Club elects to treat a Condemnation of a material part of the Leased Premises as Condemnation of a nonmaterial part of the Leased Premises, then (a) this Agreement shall not terminate as a result thereof, (b) all of the Condemnation Award, while paid directly from the condemning authority to the PFD shall be used by the Club to restore the Leased Premises to a state similar to that which existed immediately prior to the Condemnation. Disbursement of the Condemnation Award funds from the PFD to the Club shall occur pursuant to the procedures described in Section 7.8.7.

25.5 Allocation of Condemnation Award. In the event of Condemnation of a material part of the Leased Premises and a termination of this Agreement, the amount of any Condemnation Award shall belong to the PFD, and the Club shall not be entitled to any award or any part thereof for its rights, interest, or estates hereby granted which are so condemned or effected by such eminent domain proceedings, except to the extent of the following:

The Club shall receive out of the Condemnation Award paid on account of the Condemnation (a) the value, amortized over the Term of this Agreement all Club Creditable Contributions to the CapEx Fund, or in excess of the CapEx Fund, previously expended for CapEx Work to the Leased Premises, (b) the Club’s moving expenses to another facility and (c) the value of the Club’s fixtures installed in the Leased Premises. The Club shall be entitled to be paid this portion of the award from the PFD or from the awarding authority, depending on how and to whom the award is paid. The PFD expressly permits the Club to make a claim to the condemning authority for such amount in any appropriate proceeding.

The Club shall have the right at its expense to be represented by counsel of its choosing in any Condemnation proceedings.

25.6 Temporary Taking. This Agreement shall not terminate by reason of a temporary taking of the Leased Premises or any portion thereof for public use, except as provided in this Section 25.6. In the event of such a temporary taking, the rights and obligations of the parties under this Agreement shall continue in full force and effect, except that:

- a. any Condemnation Award for such temporary taking shall be paid directly by the condemning authority to the Club; and
- b. upon the termination of the temporary taking, to the extent of the Condemnation Award, the Club shall use reasonable efforts to restore the Leased Premises to a state similar to that which the Leased Premises was in immediately prior to the taking.

Notwithstanding the foregoing, if a temporary taking of a material part of the Leased Premises exceeds two (2) years in duration, then for a period of thirty (30) days following expiration of the two (2) year period the Club may terminate this Agreement by giving written notice to the PFD, which shall be effective thirty (30) days after the notice is timely given.

25.7 Efforts to Prevent Condemnation. The PFD agrees to use its reasonable efforts to cause the City, the County and all other competent authorities with the power of eminent domain to refrain from instituting any Condemnation proceedings or exercising any other powers of eminent domain with respect

to the Leased Premises, or any material part thereof or any material interest therein during the Term of this Agreement.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned, thereunto duly authorized on behalf of each respective Party, have executed this Agreement as of the date first set forth above.

WASHINGTON STATE MAJOR LEAGUE
BASEBALL STADIUM PUBLIC FACILITIES
DISTRICT, a Washington municipal corporation

By: _____
Name: _____
Title: _____

THE BASEBALL CLUB OF SEATTLE, LLLP,
a Washington limited partnership

By: Baseball of Seattle, Inc.
Its Managing General Partner

By: _____
Name: _____
Title: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this ____ day of _____, 2018, before me, the undersigned, a Notary Public in and for the state of Washington, duly commissioned and sworn, personally appeared _____, to me known to be the person who signed as _____ of WASHINGTON STATE MAJOR LEAGUE BASEBALL STADIUM PUBLIC FACILITIES DISTRICT, the municipal corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said municipal corporation for the uses and purposes therein mentioned, and on oath stated that _____ was duly elected, qualified and acting as said officer of the municipal corporation, that _____ was authorized to executed said instrument and that the seal affixed, if any, is the corporate seal of said municipal corporation.

LIST OF EXHIBITS

EXHIBIT A	EXAMPLES OF APPLICABLE STANDARD ASSESSMENT CATEGORIES
EXHIBIT B	DISTRICT OFFICES DEPICTION
EXHIBIT C	REFERENCE BALLPARKS
EXHIBIT D	SITE DEPICTION
EXHIBIT E	SITE LEGAL DESCRIPTION
EXHIBIT F	POLICY ON NON-BASEBALL USE OF LEASED PREMISES
EXHIBIT G	ADVERTISING POLICY
EXHIBIT H	2019 CAPEX WORK PLAN
EXHIBIT I	LETTER OF CREDIT
EXHIBIT J	BALLPARK LIKENESSES LICENSE AGREEMENT

EXHIBIT A

EXAMPLES OF APPLICABLE STANDARD ASSESSMENT CATEGORIES

Site / Stadium Perimeter

- Hardscaping
- Landscaping
- Plazas
- Signage and Graphics
- Equipment
- Parking Facilities

Structure / Building Envelope

- Foundations
- Superstructure
- Exterior Closures (Glazing, Doors, and Walls)
- Membrane Roofing

Fan Amenities

- Quality of General Admission Seating (Chairs, Bleachers, etc.)
- Diversity of General Admission Seating Categories (SRO, Gathering Areas, etc.)
- Public Restroom Inventory and Quality
- Concourse Width
- Restaurants
- Adequacy of Merchandising Operation

Food Service Areas

- Quantity of Food and Beverage Options
- Quality of Food and Beverage Options
- Diversity of Food and Beverage Options
- Adequacy of Support Space
- Point of Sale Technology
- Menu Board Technology

Premium Spaces

- Quantity of Premium Seating Options and Associated Lounge Spaces
- Diversity of Premium Seating Options and Associated Lounge Spaces
- Appropriateness of Premium Seating Options for Market
- Dedicated Premium Seating Ticketholder Entries

Physical Condition of Major Building Systems & Spaces

- Vertical Transportation
- Plumbing
- HVAC
- Fire Protection
- Electrical
- Retractable Roof and Associated Components
- Playing Field

Seating Bowl
Press Areas
Team Areas
Technology & Sponsorship
Scoreboard Size
Scoreboard Resolution
Ribbon Boards
Seating Bowl Signage
Concourse and Interior Signage
Quality and Coverage of DAS / Wi-Fi
Security Systems
Sound Reinforcement Systems
Fan Engagement Platforms and Capabilities
Technology Infrastructure
Control Room
Broadcast Cable Infrastructure
Other

EXHIBIT B

DISTRICT OFFICES DEPICTION

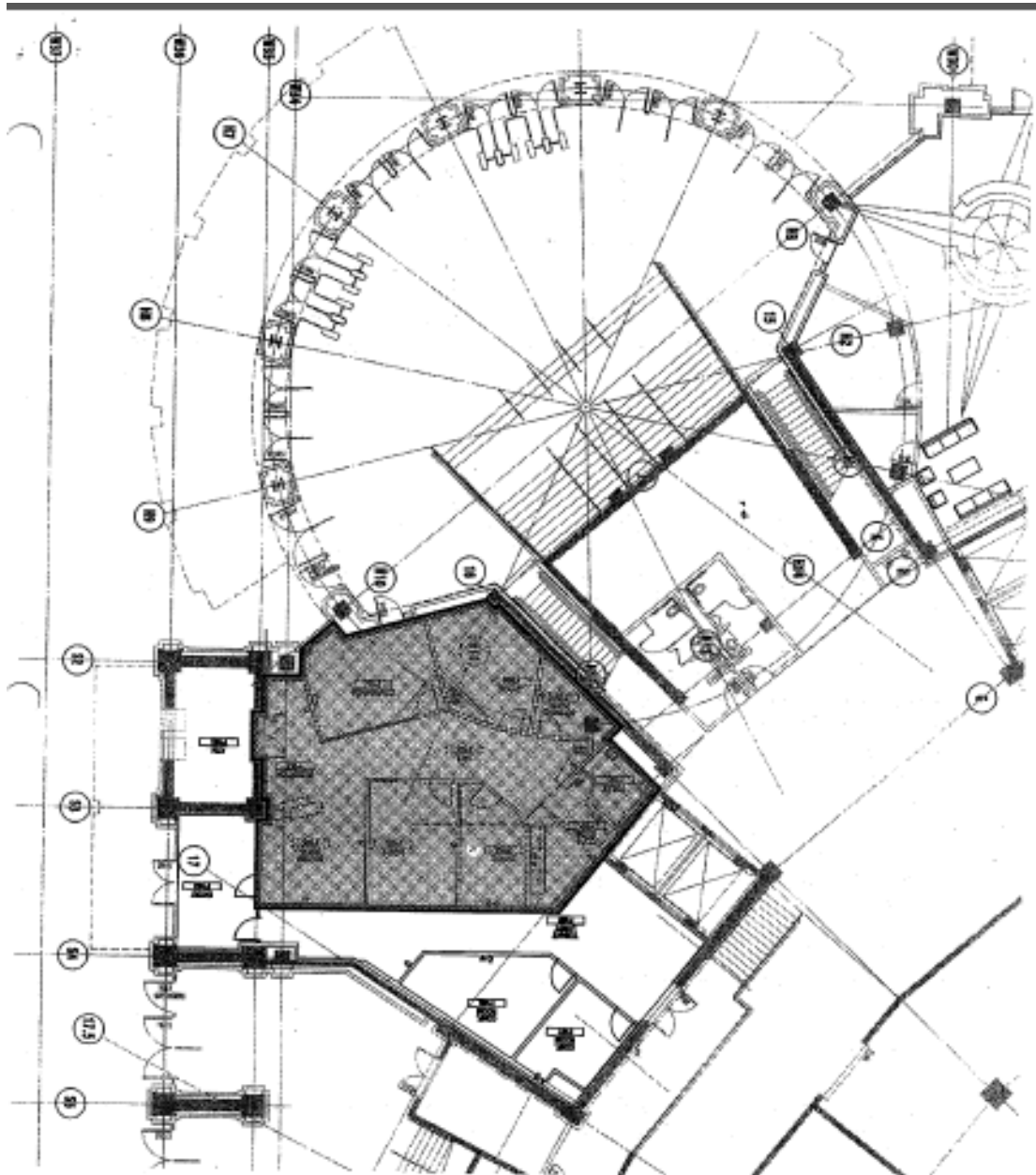


EXHIBIT C

REFERENCE BALLPARKS

[In alphabetical order by state]

State	MLB Ballpark	MLB Club
California, San Diego	Petco Park	San Diego Padres
Colorado, Denver	Coors Field	Colorado Rockies
Florida, Miami	Marlins Park	Miami Marlins
Georgia, Cobb County	SunTrust Park	Atlanta Braves
Minnesota, Minneapolis	Target Field	Minnesota Twins
Missouri, St. Louis	Busch Stadium	St. Louis Cardinals
New York, New York	Yankee Stadium	New York Yankees
New York, New York	Citi Field	New York Mets
Washington, D.C.	Nationals Park	Washington Nationals
Wisconsin, Milwaukee	Miller Park	Milwaukee Brewers

EXHIBIT E

SITE LEGAL DESCRIPTION

Parcel A:

Parcel A of City of Seattle Lot Boundary Adjustment Number 8802502, recorded July 19, 1988 under recording number 8807191543, in King County, Washington;

Together with the East half of vacated Occidental Avenue South, vacated pursuant to Ordinance Number 119534 of the City of Seattle, which attached to said premises by operation of law;

Together with those portions of Lots 1 through 24, inclusive, Block 288, and Lots 12 through 24, inclusive, Block 322, Seattle Tidelands, in King County, Washington, as shown on the official maps on file in the Office of the Commissioner of Public Lands at Olympia, Washington, and that portion of the Northerly 50.0 feet of the 100.00 foot vacated right of way of Massachusetts Street vacated pursuant to Ordinance Number 10696, all described as follows:

Commencing at the Northeast corner of said Lot 1 in Block 288;

Thence Westerly along the North line of said Lot in Block 288 to the point of intersection with a line drawn parallel with and distant 10.0 feet Northwesterly of, as measured at right angles to, the Burlington Northern Railroad Company's most Westerly track centerline located in said Block 288, said point being the True Point of Beginning of the parcel to be described;

Thence South 10°33'30" West along said parallel line to the point of intersection with the South line of said Northerly 50.0 feet of the 100.0 foot vacated right of way of Massachusetts Street;

Thence Westerly along said South line to the point of intersection with a line drawn parallel with and distant 205.35 feet Easterly of, as measured at right angles to, the West line of said Block 322;

Thence Northerly along said parallel line to the point of intersection with the North line of said Lot 13 in Block 322;

Thence Southeasterly along a curve concave to the Southwest and having a radius of 150.0 feet an arc distance of 78.48 feet;

Thence South 60°00' East a distance of 67.61 feet;

Thence North 30°00" East a distance of 153.89 feet;

Thence Northeasterly along a curve concave to the Northwest and having a radius of 330.0 feet a distance of 172.79 feet to the point of intersection with a line drawn parallel with and distant 460.0 feet Easterly of, as measured at right angles to, said West line of Block 322;

Thence Northerly along said parallel line a distance of 465.36 feet to the point of intersection with said North line of Lot 1 in Block 288;

Thence Easterly along said North line to the True Point of Beginning;

Except that portion conveyed to the State of Washington by deed recorded April 16, 2001 under recording number 20010416001161; and

Except that portion conveyed to the State of Washington, Department of Transportation by deed recorded April 1, 2009 under recording number 20090401001216.

Parcel B:

The West 205.35 feet of Lots 13 through 24, inclusive, Block 322, Seattle Tidelands, in King County, Washington, as shown on the official maps on file in the Office of the Commissioner of Public Lands at Olympia, Washington;

Together with the North 50 feet of the West 205.35 feet of vacated South Massachusetts Street lying East of Occidental Avenue South;

Except that portion conveyed to the State of Washington by deed recorded April 16, 2001 under recording number 20010416001161; and

Except that portion conveyed to the State of Washington, Department of Transportation by deed recorded April 1, 2009 under recording number 20090401001216.

Parcel C:

Lots 1 through 11, Block 323, Seattle Tidelands, in King County, Washington, as shown on the official maps on file in the Office of the Commissioner of Public Lands at Olympia, Washington;

Together with the West half of vacated Occidental Avenue South, vacated pursuant to Ordinance Number 119534 of the City of Seattle, which attached to said premises by operation of law;

Except that portion conveyed to the State of Washington by deed recorded April 16, 2001 under recording number 20010416001161; and

Except that portion conveyed to the State of Washington, Department of Transportation by deed recorded April 1, 2009 under recording number 20090401001216.

Parcel D:

An easement for support piers and air space and the terms and conditions thereof as described in instrument recorded under recording no. 9707151204

EXHIBIT F

POLICY ON NON-BASEBALL USE OF LEASED PREMISES

Policy Regarding Non-Baseball Events at Ballpark

The following Policy applies to all non-baseball events at the Ballpark. The Club will consider the following factors when determining whether to host non-baseball events, with no single factor determining usage decisions.

1. The event must be allowed under the Master Use Permit, all other ballpark permits, and the Lease.
2. The event must not result in violation of any applicable law, regulation, or ordinance.
3. All events must fully comply with the Club's security and safety procedures.
4. No event will be permitted that will harm any portion of the Ballpark. If an event will cause temporary harm, such as altering portions of the playing surface, appropriate plans for prompt resolution must be included in the event planning.
5. Events will not be permitted that will significantly stress or over burden the operating capabilities of the Ballpark.
6. The Club will not allow events that promote, support, or advocate for discriminatory or derogatory conduct, including relating to race, color, sex, sexual orientation, gender identify, religion, national origin, ancestry, physical handicap, marital status or age.
7. The Club will use its best efforts to prioritize requested non-baseball uses for events that support community service organizations, such as fundraisers, school graduations and other community gatherings.
8. All non-baseball events must meet the rules and guidelines established by MLB.

Final discretion on non-baseball Ballpark uses under this Policy rests solely with the Club. All non-baseball use requests will be considered and approved by the head of the Ballpark Operations Department or the Club President. Non-baseball uses must be documented in a contract agreeable to the Club which includes appropriate protections for the Club and the Ballpark, including but not limited to appropriate levels of insurance coverage.

EXHIBIT G

ADVERTISING POLICY

Policy Regarding Ballpark Advertising

The Club will consider the following factors when determining whether to accept advertising displayed at or within the Ballpark (“Ballpark Advertising”).

1. The advertising must be allowed under all Ballpark permits, the Lease, and shall not violate any applicable law, regulation, or ordinance.
2. The advertising shall not include displays, signage or other presentations depicting scenes, messages or logos inappropriate for an audience of all ages.
3. The Club will not permit any political advertising.
4. All advertising must meet the rules and guidelines established by MLB.
5. The Club will not allow advertising that promotes, supports, or advocates for discriminatory or derogatory conduct, including relating to race, color, sex, sexual orientation, gender identify, religion, national origin, ancestry, physical handicap, marital status or age.
6. The Club will not allow Ballpark Advertising that: encourages illegal activity or conduct; depicts drug use or excessive drinking; encourages violence or depict hyper-realistic violence; or presents messages that the Club, in its sole discretion, determines is inappropriate for the Ballpark.
7. No advertising for any sort of product containing tobacco will be displayed anywhere at the Ballpark.

Final discretion on Ballpark Advertising under this Policy rests solely with the Club. The Club reserves the right to reject or remove any advertisement in its sole discretion for any reason, including if the advertising does not comply with this Advertising Policy. All Ballpark Advertising will be considered and approved by the Club’s head of the Sales or the Club President, or their respective designee. All Ballpark Advertising must be documented in a contract agreeable to the Club and which includes appropriate protections for the Club and the Ballpark, including terms ensuring compliance with this Policy and representations and warranties confirming that such advertising complies with applicable laws, industry codes, rules and regulations.

Policy Effective Date: January 1, 2019

Version: 1.0

EXHIBIT H

2019 CAPEX WORK PLAN

Project	Description	Cost
Phase IV – Roof Axle Replacement Project	4 th of 8 phases to replace the roof axles/wheel assemblies	\$1,500,000
Perimeter Security/Bollard Project	Install approximately 360 engineered bollards and benches around ballpark perimeter	\$5,700,000
ADA Seat Compliance	Install new ADA seating for lower bowl	\$1,000,000

EXHIBIT I
LETTER OF CREDIT
[TO BE PROVIDED]

EXHIBIT J

BALLPARK LIKENESSES LICENSE AGREEMENT

AMENDED AND RESTATED LICENSE AGREEMENT

**WASHINGTON STATE MAJOR LEAGUE BASEBALL STADIUM
PUBLIC FACILITIES DISTRICT
EXCLUSIVE INTELLECTUAL PROPERTY LICENSE**

THIS EXCLUSIVE AMENDED AND RESTATED LICENSE AGREEMENT (the "Agreement") is made and entered into as of January 1, 2019 (the "Effective Date") by and between the Washington State Major League Baseball Stadium Public Facilities District, a Washington municipal corporation and special purpose district (the "PFD"), and the entity indicated as the "Licensee" below.

The PFD hereby grants to Licensee a limited, exclusive, and worldwide license (except as reserved by PFD below) to use the Property solely in connection with the manufacture, sale, distribution, advertisement and promotion of Products and Services in the Territory during the Term, subject to and in accordance with the Basic Provisions specified below and the General Terms and Conditions attached hereto (which are incorporated herein by this reference). For the purposes hereof, capitalized terms not otherwise defined herein shall have the meanings indicated in the Basic Provisions or the General Terms and Conditions.

BASIC PROVISIONS

Licensee: The Baseball Club of Seattle, LLLP, a Washington limited liability limited partnership
Property: if and only to the extent owned by the PFD: all architectural renderings and drawings of the Ballpark and/or the Site, provided, however, it being understood that the Licensee will own any conceptual drawings and designs delivered to the PFD to obtain consent for any CapEx Work under the CapEx Plan; all pictorial, graphic or sculptural works depicting the Ballpark and/or the Site; and all trade/service mark rights inhering in the image of the Ballpark and/or the Site; the Ballpark Likeness, as defined in Article 11.3 of the Amended and Restated Ballpark Operations and Lease Agreement dated December_, 2018, between the PFD and Licensee (the "Amended Lease")

Products: any and all forms of merchandise commonly marketed by Major League Baseball clubs now or in the future (such as, but not limited to, caps, T-shirts, jackets, posters, and collectibles) as mass market or limited-edition items

Services: any and all forms of entertainment services, including the rendering of baseball exhibitions and events, live concerts, and otherwise

Territory: the world

Term: Concurrent with the Term of the Amended Lease

GENERAL TERMS AND CONDITIONS

1. DEFINITIONS:

"Ballpark," "Site" and "Major League Baseball" shall be defined as in the Amended Lease.

2. LICENSE GRANT:

2.1 Without limiting the generality of the grant made in the paragraph immediately above the Basic Provisions, Licensee and the PFD agree that the grant shall encompass the following rights (subject always to the other terms and conditions contained in this Agreement) during the Term:

(a) **Creation and Manufacturing of the Products:** the right to reproduce the Property on or in the Products, and to manufacture copies of the Products including such reproductions;

(b) **Distribution of the Products:** the right to distribute the Products throughout the Territory by any and all lawful means;

(c) **Rendering and Promotion of the Services:** the right to render and promote the Services on and in connection with the Property;

(d) **Promotion and Marketing of the Products and Services:** the right to include the applicable Property in advertisements and promotional and marketing materials for the Services rendered on the Property and Products which contain such Property, and to distribute, exhibit, publicly perform and publicly display such materials in any and all media now or hereafter known throughout the Territory; and

(e) **Sublicenses:** the right to exercise all of its rights under this Agreement itself and/or through third parties authorized to do so by Licensee; provided, however, that all such third party sublicensees must agree, in writing, to be bound by the terms and conditions of this Agreement.

2.2 License Restrictions: Licensee shall not use the Property other than on or as part of the Products, to render the Services, and/or in the marketing and promotional materials for the Products or Services. Licensee may not use the Property that in any way that would reasonably be deemed to be derogatory toward the PFD, the City of Seattle, King County and/or the State of Washington.

2.3 Reservation of Rights: The PFD reserves the non-exclusive right to use the Property for non-commercial purposes, provided, however, that the PFD will not use the Property on merchandise that otherwise would constitute Products except on a *de minimis* basis and so as not to compete with the Club in its marketing of Products or Services.

3. QUALITY STANDARDS:

To protect and enhance the Property and the goodwill pertaining thereto, Licensee shall not manufacture, offer or sell any Product incorporating any Property unless it complies with the following:

(a) **Operating Standards:** All activities undertaken by Licensee relating to manufacturing, advertising, marketing, promoting and selling of Products shall be ethical and reflect the highest standards of good business and commercial practices.

(b) **Standards for Products:** The Products shall be of high standards and quality in workmanship and materials that meet or exceed industry standards as established in Licensee's industry and of such style, appearance and quality so as not to impair the PFD's reputation and the goodwill

pertaining thereto. Licensee shall not itself, or permit others to, make, offer, sell, or distribute, any Product which does not meet the quality standards established hereunder.

(c) **Compliance with Laws:** Licensee shall comply in all respects with all applicable laws or regulations with the force of law, including without limitation in connection with all manufacturing, advertising, marketing, promotional and distribution activities related to the Products.

Licensee shall comply with all reasonable requests by PFD to provide samples of Products or more information regarding Services in association with the Property within fourteen (14) business days of the PFD's request. If the PFD should reasonably determine that any Product or Service exploited by Licensee hereunder in association with the Property fails to comply with the standards of quality required hereunder, the PFD shall notify Licensee in writing of such determination and Licensee shall take all commercially reasonable steps necessary or appropriate to ensure that all Products manufactured or Services provided in association with the Property subsequent to its receipt of such notice comply with the quality standards. Notwithstanding the foregoing, nothing in this Section 3 intends to supplement or modify the approval of CapEx Work, a CapEx Plan, or Licensee's right to complete Necessary Improvements or any other improvements pursuant to the Amended Lease. The parties acknowledge that, in the event that this Section 3 is inconsistent with the Amended Lease, the Amended Lease will control.

4. PROTECTION OF PFD'S INTELLECTUAL PROPERTY RIGHTS:

4.1 Trademark and Copyright Notices: Licensee shall affix on or within each Product and all advertisements, packaging, tags, promotional material and displays related to Licensee's use of the Property ("Collateral Material") legal copyright and/or trademark notices in the forms requested in writing by the PFD. Licensee shall not manufacture any Products or Collateral Material depicting the copyright and/or trademark notices to be contained thereon without approval from the PFD.

4.2 Value and Secondary Meaning: Licensee recognizes the great value of the Property and of the goodwill associated therewith and acknowledges (a) that the Property and all rights therein (including copyright and trademark) and goodwill pertaining thereto and to all derivative works belong exclusively to the PFD, (b) that the Property has or will acquire a secondary meaning in the mind of the public (so that use by anyone of the foregoing without the PFD's authorization would be unlawful), and (c) that all use of the Property pursuant to this Agreement will inure to the benefit of the PFD.

4.3 The PFD's Intellectual Property Rights:

4.3.1 Except as otherwise noted, Licensee shall have no rights whatsoever, other than the license expressly herein granted, in either the Property, any physical proprietary materials ("Materials") supplied by the PFD, any modification, improvements or additions to the Property, the Materials, or any copyrights, trademarks, trade names, or service marks which are in whole or in part derivative of the Property or Materials, whether created by Licensee, the PFD or otherwise, all of which shall be the sole and exclusive property of the PFD. Provided, however, the PFD shall not have or acquire any rights in or to team brands, logos, images and other proprietary rights owned by the Licensee and/or Major League Baseball Properties, Inc. PFD reserves all right, title, and interest in and to the Property not expressly granted herein.

4.3.2 Licensee will not at any time, whether during the Term, or after the expiration or termination of this Agreement, impugn the rights of the PFD in the Property, regardless of the basis of such attack and regardless of whether the same relates to title or validity. Licensee further agrees that it shall not during the Term hereof, or any time thereafter, dispute or contest, directly or indirectly, the validity of any of the PFD's copyrights or trademarks in the Property.

4.3.3 Licensee will cooperate with the PFD, without charge to the PFD, to secure, preserve, protect and enforce the PFD's ownership of the Property, except as provided for in Section 4.3.4. Without limiting the generality of the foregoing, Licensee shall cooperate without charge to the PFD to enable the PFD to file, prosecute and register the copyrights and trademarks relating to the Property thereof in appropriate classes in the name of the PFD, as the PFD may determine. Upon request by the PFD, Licensee shall furnish at least six (6) photographs and/or specimens of each Product, as well as relevant invoices or other proper evidence satisfactory to the PFD duly showing the first commercial shipment in interstate commerce, and such other things and documents as the PFD may require in the obtaining or preserving of a trademark, and thereafter, on a regular basis, representative samples of each Product and of any or all materials bearing trademarks. The PFD shall not be required to register any such trademarks or copyrights.

4.3.4 If either party commences or becomes involved in a formal proceeding relating to the ownership of the Property and/or PFD's intellectual property rights therein, the parties will, in good faith, negotiate the allocation of costs to commence and/or participate in such proceeding.

5. REMEDIES:

5.1 Equitable Relief: Licensee acknowledges that its breach of this Agreement or its failure (except as otherwise provided herein) to cease the manufacture, marketing, sale and distribution of Products at the termination or expiration of this Agreement or otherwise in violation of any terms hereof will result in immediate and irreparable damage to the PFD, that there is no adequate remedy at law for such breach and agrees that in the event of such breach or threatened breach, the PFD shall be entitled to equitable relief by way of temporary and permanent injunctions, without bond to the fullest extent allowed by law, and such other and further relief as any court of competent jurisdiction may deem just and proper.

5.2 Licensee Breach and Cure Period:

5.2.1 If Licensee breaches this Agreement, then the PFD, in addition to any other rights or remedies it may have, may, if it so elects, give Licensee notice of such breach. Except for breaches that are expressly stated to be incurable hereunder, Licensee shall have fourteen (14) calendar days from the delivery of such notice within which to remedy such breach. If, because of the nature of any breach other than one involving nonpayment, Licensee shall be unable to cure the same within said fourteen (14) day period but is making demonstrable, good faith, best efforts to remedy such breach, Licensee shall be given such additional time as is reasonably necessary to cure said breach, upon the condition that Licensee shall continue diligently to do so.

5.2.2 Without limiting the generality of the foregoing, the following events shall constitute grounds for termination, if the PFD shall have provided Licensee with notice of default and a right to cure as set forth in Section 5.2.1, and Licensee fails to remedy the breach as provided for under Section 5.2.1:

(a) If Licensee should make, sell, offer for sale, distribute, use or exploit any Product which fails to meet the standards of quality referenced in Section 3 above; or

(b) If Licensee should sell, offer for sale, distribute, use or exploit any Product or any Collateral Material which does not contain the appropriate legal notices required pursuant to Section 4 above.

5.2.3 If Licensee fails to remedy such breach to the PFD's reasonable satisfaction within the applicable period after the PFD has provided notice of such breach to Licensee, the PFD shall, in addition to any other rights or remedies, have the right to terminate this Agreement and the license herein granted as of the expiration of such applicable cure period.

5.3 Additional Termination Rights: Notwithstanding Section 5.2 above, the PFD shall, in addition to any other rights, have the right to terminate this Agreement immediately and without notice or opportunity to cure, upon the occurrence of any of the following events:

(a) If there should occur a "Club Default" under (and as defined in) the Amended Lease; and/or

(b) If Licensee, after three (3) occasions as to which Licensee has received a notice of default from the PFD within any twelve (12) month period, fails a fourth time within the same twelve (12) month period to comply with one (1) or more material requirements of this Agreement (whether or not corrected after notice).

5.4 Consequences of Termination:

5.4.1 Upon termination of this Agreement (including by reason of the expiration of the Term), Licensee shall cease to be an authorized licensee of the PFD and Licensee shall:

(a) except as may be strictly necessary in connection with the disposition of inventory under Section 5.4.2 below, immediately and permanently discontinue and thereafter refrain from the use of any of the Property;

(b) within one (1) year permanently discontinue all advertising placed by Licensee which contains or makes reference to any of the Products containing any element of the Property and cancel all such advertising already placed or contracted for which would otherwise be published, broadcast, displayed or disseminated after the expiration of said one (1) year period; and

(c) immediately notify any sublicensees who have been granted sublicenses pursuant to this Agreement that such licenses are immediately terminated.

5.4.2 Licensee shall have a period of one (1) year after termination of this Agreement for any reason other than breach, within which to sell those Products on hand, in process, in transit, or on order on the date of such notice and to continue on a non-exclusive basis to use the Property in connection therewith in compliance with all the terms and conditions of this Agreement, provided that Licensee shall not sell or dispose of such inventory in a manner that might materially diminish the value of the Property. At the expiration of such sell-off period Licensee shall, at the PFD's option and at Licensee's sole cost, immediately obliterate or remove the Property from all Products and provide the PFD evidence of such destruction. During the period of two (2) years immediately prior to termination of this Agreement, Licensee shall not manufacture or cause to be manufactured more Products than reasonably necessary to meet anticipated sales of Products for the remainder of the Term, taking into consideration then-current inventories, the actual sales of similar Products during the immediately preceding year, and any reasonably anticipated increase or decrease in demand.

6. PFD'S WARRANTY:

6.1 Section 6.2 below shall apply only to the following Property: all architectural renderings and drawings of the Ballpark and/or Site, and pictorial, graphic or sculptural works depicting the Ballpark and/or Site, supplied to Licensee by the PFD.

6.2 The PFD warrants that the Property described in Section 6.1 above, to the extent not in the public domain, and solely for Products and Services sold or provided, (a) is owned by the PFD or controlled by the PFD to the extent necessary to grant the rights granted under this Agreement, and (b) Licensee's use thereof, under the terms of this Agreement, will not infringe the copyrights, trade/service mark rights, trade secret rights, and/or any other proprietary rights of any Person.

6.3 To the greatest extent allowed by law, the PFD makes no other representations or warranties, express or implied, with respect to the Property except as set forth in this Section 6.

7. LICENSEE'S INDEMNIFICATION OF PFD:

Licensee hereby indemnifies and agrees to defend and hold harmless the PFD and its officers, employees, and representatives from and against the losses, damages, costs and expenses associated with any and all claims, demands, suits, proceedings or judgments, including attorneys' fees and court costs and other legal and defense expenses, arising out of (a) any alleged unauthorized use of or infringement upon any patent, copyright, design, mark, process, idea, method, device, right of privacy, publicity, or other property right by Licensee in connection with the Products, other than the Property; (b) any alleged material defects in the Products, or any alleged failure by Licensee to adequately perform any agreement or render any service relating to the Products, or any injury resulting from the sale or use of Products, and (c) any other material alleged acts or omissions by Licensee pertaining to the Products. The PFD shall have the right, but not the obligation, to control the defense and settlement of any such action using attorneys of its own selection, and to be promptly reimbursed upon demand for all reasonable costs and expenses incurred in defending and resolving any such claims.

8. ASSIGNMENT AND TRANSFER:

Except in connection with a permitted assignment by Licensee of its rights in accordance with Article 17.1 of the Amended Lease, Licensee shall not sell, assign, transfer, encumber, hypothecate, permit to become subject to a security interest or otherwise dispose of any right, title or interest in this Agreement, in whole or in part, voluntarily or involuntarily, directly or indirectly, without the prior written consent and approval of the PFD, and any purported such disposition without the PFD's prior written consent shall be null and void from the making thereof and be deemed to be an incurable material breach of this Agreement by Licensee. Notwithstanding the foregoing, however, Licensee shall have the right, without the PFD's prior consent, to (a) sublicense the Property to vendors for production and distribution of Products, and (b) sublicense and/or assign this License to Licensee's marketing agent, Major League Baseball Properties, Inc., for marketing purposes; provided that any such sublicense or assignment shall not release Licensee from its obligations or liabilities under this Agreement and, in the case of an assignment, the assignee and Licensee shall be jointly and severally liable for all obligations and liabilities of Licensee accruing from and after the date of assignment under this Agreement.

9. GENERAL PROVISIONS:

9.1 Cumulative Remedies. All rights and remedies conferred upon the PFD by this Agreement and by law shall be cumulative of each other and neither the exercise nor the failure to exercise any such right or remedy shall preclude the exercise of any other right or remedy.

9.2 Non-Waiver. No failure by the PFD to take any action on account of any default by the Licensee, whether in a single instance or repeatedly, shall constitute a waiver of any such default or of any performance required of the Licensee. No express waiver by the PFD of any provision or performance of any term or condition of this Agreement or of any default by the Licensee shall be construed as a waiver of any other or future provision, performance or default.

9.3 Validity. If any provision of this Agreement shall be invalid or unenforceable either in its entirety or by virtue of its scope or application to given circumstances such provision shall be deemed modified to the extent necessary to render the same valid or as not applicable to given circumstances, or deemed to be excised from this Agreement, as the situation may require.

9.4 Notices. Any notices required or permitted to be given under this Agreement shall be given in accordance with the notice provisions set forth in the Amended Lease.

9.5 Entire Agreement. This Agreement contains the entire agreement and understanding of the parties with respect to the subject matter hereof, and all prior understandings and agreements between the parties hereto relating to the subject matter hereof are hereby superseded. This Agreement may be modified only by a writing signed by all parties to be bound by the modification.

9.6 Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties and signatories hereto, their respective permitted successors and assigns.

9.7 Controlling Law; Attorneys' Fees. This Agreement, including all matters relating to the validity, construction, performance and enforcement thereof, shall be governed by the laws of the State of Washington. The parties agree that the venue of any action by either party against the other arising hereunder or in way related hereto shall be in King County, Washington, and Licensee shall not contest jurisdiction of or venue before such court on any grounds. Without limiting the foregoing, the PFD may immediately file an action in any court of competent jurisdiction to obtain injunctive relief in the event of any breach or threatened breach of confidentiality or intellectual property protection provisions of this Agreement. The prevailing party in any such action shall be entitled to recover its reasonable attorney's fees and costs.

9.8 Counterparts. This Agreement may be executed in any number of identical counterparts, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

9.9 Survival. The representations, warranties, covenants, obligations and indemnities of the parties contained in this Agreement shall survive the termination of this Agreement.

9.10 Relationship of the Parties. It is understood and agreed by the parties hereto that the Licensee and the PFD shall be independent contractors, and neither shall have the authority to represent or bind the other. It is intended by the parties that the relationship between the parties created by this Agreement shall not be construed as one of agency, partnership, joint venture, franchise or employer/employee.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned, thereunto duly authorized on behalf of each respective Party, have executed this Agreement as of the date first set forth above.

THE PFD:

WASHINGTON STATE MAJOR LEAGUE
BASEBALL STADIUM PUBLIC FACILITIES
DISTRICT, a Washington municipal corporation

By: _____
Name: _____
Title: _____

LICENSEE:

THE BASEBALL CLUB OF SEATTLE, LLLP, a
Washington limited partnership

By: Baseball of Seattle, Inc.,
Its Managing General Partner

By: _____
Name: _____
Title: _____

SCHEDULE 17.4

PERMITTED LEASEHOLD MORTGAGE

Leasehold Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing dated August 19, 2016 made by The Baseball Club of Seattle, LLLP to Chicago Title Insurance Company for the benefit of JPMorgan Chase Bank, National Association, as recorded in the real property records of King County, Washington as Recording No. 20160819001025.