

Ordinance No. 121377

Council Bill No. 114780

The City of Seattle - Legislative Department
Council Bill/Ordinance sponsored by: STEINE

AN ORDINANCE relating to the Seattle Center Department;
authorizing execution of an agreement with Thunderbird
Hockey Enterprises, LLC for Seattle Center Facility Use.

Committee Action:

2-0 PS, JJ
12-15-03 Passed 8-0
(Excused: McIven)

CF No.

Date Introduced:	<u>DEC 1 - 2003</u>	
Date 1st Referred:	<u>DEC 1 - 2003</u>	To: (committee) <u>Publics, Education & Libraries Committee</u>
Date Re - Referred:		To: (committee)
Date Re - Referred:		To: (committee)
Date of Final Passage:	<u>12-15-03</u>	Full Council Vote: <u>8-0</u>
Date Presented to Mayor:	<u>12-16-03</u>	Date Approved: <u>12/19/03</u>
Date Returned to City Clerk:	<u>12/22/03</u>	Date Published: <u>2/19/04</u> T.O. <input checked="" type="checkbox"/> F.T. <input type="checkbox"/>
Date Vetoed by Mayor:		Date Veto Published:
Date Passed Over Veto:		Veto Sustained:

This file is complete and ready for presentation to Full Council. Com

Law Department

Law Dept. Review

OMP Review

(b)
City Clerk Review

The City of Seattle - Legislative Department

Council Bill/Ordinance sponsored by: STEINBRUECK
Councilmember

Department;
underbird
city Use.

Committee Action:

2-0 PS, JD
12-15-03 Passed BO
(Excused: McIver)

This file is complete and ready for presentation to Full Council. Committee: _____
(initial/date)

Section &
Committee

03
T.O. <input checked="" type="checkbox"/>
F.T. <input type="checkbox"/>

Law Department

Law Dept. Review	OMP Review	City Clerk Review	Electronic Copy Loaded	Indexed
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ORDINANCE 121377

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AN ORDINANCE relating to the Seattle Center Department; authorizing execution of an agreement with Thunderbird Hockey Enterprises, LLC for Seattle Center Facility Use.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. As requested by the Seattle Center Director and recommended by the Mayor, the Seattle Center Director or her designee is authorized to execute, for and on behalf of The City of Seattle, an agreement with Thunderbird Hockey Enterprises, LLC, substantially in the form of the agreement attached hereto and identified as "AGREEMENT BETWEEN THE CITY OF SEATTLE AND THUNDERBIRD HOCKEY ENTERPRISES, LLC REGARDING SEATTLE CENTER FACILITY USE" (Attachment 1) pertaining to the use of KeyArena for the playing of Western Hockey League games for the 2003-2004 through the 2006-2007 seasons.

Section 2. Any act consistent with the authority and prior to the effective date of this ordinance is hereby ratified and confirmed.

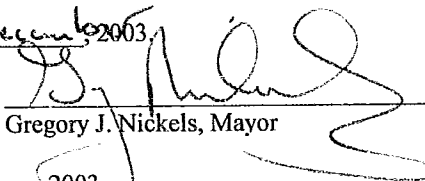
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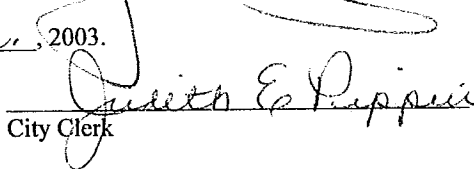
ACTING
CITY
CLERK

1 Section 3. This ordinance shall take effect and be in force thirty (30) days from and after
2 its approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days
3 after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

4
5 Passed by the City Council the 15th day of December 2003, and signed by me in open
6 session in authentication of its passage this 15th day of December 2003.

7
8 
9 President _____ of the City Council

10 Approved by me this 19 day of December, 2003.
11 
12 Gregory J. Nickels, Mayor

13 Filed by me this 22 day of Dec., 2003.
14 
15 City Clerk

16
17 (Seal)

18 Attachment 1: AGREEMENT BETWEEN THE CITY OF SEATTLE AND THUNDERBIRD
19 HOCKEY ENTERPRISES, LLC REGARDING SEATTLE CENTER FACILITY USE
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**AGREEMENT BETWEEN
THE CITY OF SEATTLE
AND
THUNDERBIRD HOCKEY ENTERPRISES, LLC
REGARDING SEATTLE CENTER FACILITY USE**

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November 10, 2003

Attachment 1 to Thunderbirds Hockey Ordinance



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**AGREEMENT BETWEEN
THE CITY OF SEATTLE
AND
THUNDERBIRD HOCKEY ENTERPRISES, LLC
REGARDING USE OF KEYARENA FOR PROFESSIONAL HOCKEY**

THIS AGREEMENT is entered into by and between **THE CITY OF SEATTLE** ("CITY"), a municipal corporation of the State of Washington, acting by and through its Seattle Center Department and the Director thereof ("Department" and "Director", respectively), and **THUNDERBIRD HOCKEY ENTERPRISES, LLC** ("LICENSEE"), a for-profit corporation organized and existing under the laws of the State of Washington.

I. DEFINITIONS

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

A. Agreement

Agreement means this Agreement, as from time to time amended in accordance with the terms hereof, including the license to use the KeyArena for Home Games.

B. Approval

Approval means the prior written consent of a party hereto or a designated representative thereof.

C. Common Areas

Common Areas means and includes any Seattle Center area designated by the CITY as being for the general use of tenants, licensees, concessionaires, patrons, employees, and invitees of the Seattle Center and not within the exclusive control of any tenant, licensee, or concessionaire, and shall include but not be limited to parking areas, landscaped areas, areaways, roads, walks, corridors, malls, public toilets, public lounges, public stairs, ramps, elevators, escalators, and shelters.

D. First Avenue North Parking Garage

First Avenue North Parking Garage means the parking garage constructed concurrently with and located due south of the KeyArena.

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E. Game Day

Game Day means the calendar day upon which a Home Game of the Seattle Team is scheduled to be played in the KeyArena pursuant to this Agreement.

F. Game Site

Game Site means the KeyArena, where such facility has been scheduled and reserved for LICENSEE's use on a Game Day under this Agreement.

G. Gross Ticket Revenue

Gross Ticket Revenue means the gross revenue derived from the sale of tickets for a Home Game plus the value of all "complimentary" tickets provided or exchanged for any goods or services, less City Admissions Tax.

H. Hockey Novelties

Hockey Novelties means merchandise, goods, wares, and publications bearing the symbol, mark or name of the WHL, the Seattle Team, or any other WHL team including team pictures or pictures of players or other team personnel but does not include merchandise, goods, wares and publications depicting, describing or otherwise relating to the Seattle Center and/or CITY.

I. Home Game

Home Game means any WHL hockey game played in which the Seattle Team is the host team, including any preseason, regular season or conference playoff or championship game.

J. KeyArena

KeyArena means the multi-purpose, public performance facility on the site of the building formerly known as the "Seattle Center Coliseum" or "Coliseum," and now known as the "KeyArena," together with all CITY-owned equipment and other appurtenances incorporated therein as of the commencement date of this Agreement and those areas of such facility that are reasonably necessary for the proper playing and watching of WHL hockey games. KeyArena is located on the following real property:

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<u>Block(s)</u>	<u>Plat</u>	<u>As Recorded in Records of King County, Washington</u>
31	Supplemental Plat of D.T. Denny's Plan of N. Seattle, EXCEPT the West 93.06 feet of Lots 9 & 10 thereof.	Vol. 3 of Plats, Page 80
32 & 35	D.T. Denny's Home Addition to Seattle.	Vol. 3 of Plats, Page 115
36	D.T. Denny's Third Addition to Seattle	Vol. 1 of Plats, Page 145

K. Mercer Street Parking Garage

Mercer Street Parking Garage means the Seattle Center parking garage between Mercer and R. Streets.

L. NBA

NBA means the National Basketball Association and its successors

M. Premises

Premises means those portions of the KeyArena, First Avenue North Parking Garage, Mercer Street Parking Garage and South KeyArena Parking Lot that are licensed and made available to LICENSEE for its use and occupancy under this Agreement.

N. Seattle Team

Seattle Team means the WHL hockey team owned and operated by LICENSEE and currently known as the Seattle Thunderbirds.

O. South KeyArena Parking Lot

South KeyArena Parking Lot means the vehicle parking area on the south side of the KeyArena.

P. Suite Licensor

Suite Licensor means the entity(ies) that CITY has contracted with for the marketing and licensing of KeyArena Suites.

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Q. SuperSonics

SuperSonics means the Seattle NBA franchise owned by the Basketball Club of Seattle, LLC (referred to herein as "BCS").

R. WHL

WHL means the Western Hockey League and its successor or successors, the organization of which the Seattle Team or franchise is a member.

II. TERM OF AGREEMENT

A. Term

This Agreement shall commence July 1, 2003, and expire June 30, 2007, unless terminated earlier pursuant to the provisions hereof.

B. Early Termination; One-year Notice Requirement if Either CITY or LICENSEE Does Not Intend to Continue a License Agreement after Two Years:

Either party may terminate this Agreement for any reason after the first two years of the Term by written notice to the other party not less than one year in advance of the termination date and provided, that for purposes of early termination under this Subsection, the termination date shall be June 30 of a given year unless the parties mutually agree on a different termination date. For example, if one party desires to terminate the agreement on June 30, 2005, said party must provide notice to the other party by June 30, 2004.

III. SCHEDULING OF SEATTLE TEAM EVENTS IN KEYARENA

A. Selection of Pre- & Regular Season KeyArena Use Dates:

1. Each year by February 15, the Director shall provide LICENSEE with a list of each potential date, the total number of such dates to be not less than Fifty-One (51), occurring between September 24th and the next succeeding March 26th on which a regular season Home Game could be presented in the KeyArena. These potential Home Game dates shall be between and including the starting date and the ending date of the WHL regular season, provided that LICENSEE provides the Director in writing with the starting and ending dates of the WHL regular season by December 15 of the preceding year. At least one-third of these dates (not less than 17) shall be either a Friday or a Saturday, including Saturdays shared with the SuperSonics, and not less than eight of these Fridays and Saturdays shall fall during the months of January, February and March. The Director shall also provide



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LICENSEE with a calendar showing all potential game dates offered to the SuperSonics, and showing which other dates between September 24th and the next succeeding March 26 are either contractually committed or tentatively held for other events.

2. Within 72 hours of the official release of the SuperSonics schedule, all dates during the WHL regular season offered to, but not used by, the SuperSonics as game dates, with the exception of up to six (6) dates, no more than three (3) of which may be Fridays, and which may include up to one (1) Saturday, confirmed as dates for other events, shall become available to LICENSEE for scheduling of Home Games. Of the three Fridays and one Saturday that may be withheld by the City, no more than one may be in each month during January, February and March. Home Gate dates provided to LICENSEE, including dates offered to, but not used by, the SuperSonics, shall not exclude more than two consecutive weekends (weekends here meaning Friday, Saturday and Sunday).

3. At the earliest possible date, and no later than seven (7) days after the official release of the SuperSonics schedule, LICENSEE shall provide written notice to the Director regarding each potential regular season Home Game date listed by the Director pursuant to Subsection III.A.1 hereof, or subsequently made available to LICENSEE, that has been selected by the WHL as a Home Game date.

4. Upon receipt of such notice, the Director shall confirm each such WHL-selected date by written endorsement notice to LICENSEE, and all dates not selected by the WHL for regular season Home Games shall become available for use by other parties.

5. The parties agree to review the language in Subsection III.A. hereof following each season under this agreement and make any adjustments as are mutually agreed upon.

B. Scheduling of Playoff and Championship Games in KeyArena:

On January 1 of each year, the Director shall hold dates in KeyArena for potential play-off Home Games for that season, as follows:

1. For dates between the end of the WHL regular season and the end of the NBA regular season, Director shall hold dates for potential play-off Home Games unless such dates are: (a) scheduled for a SuperSonics regular season home game, or (b) contractually committed, or tentatively held for another event, provided that:

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- for the first three weekends after the conclusion of the WHL regular season, unless such dates are not available due to the scheduling of a SuperSonics regular season game or games, or NCAA Basketball Tournament games, Director shall hold the Saturday and either a Friday or Sunday of each weekend for potential play-off Home Games. If a SuperSonics home game is scheduled for a Saturday, Director shall hold the Friday and Sunday of that weekend for potential play-off Home Games, unless such dates are not available due to the scheduling of a SuperSonics regular season game or games.
- within any consecutive seven-day time period, no fewer than four (4) days will be made available for play-off Home Games, unless the SuperSonics are scheduled to play four (4) regular season games in one week.
- dates reserved for events other than Licensee's play-off Home Games shall not exceed two dates together at any one time, except for NCAA Basketball Tournament dates, and SuperSonics home game dates which are consecutive with NCAA Basketball tournament dates.

2. For dates after the conclusion of the NBA regular season, LICENSEE shall have the first right, for the purpose of scheduling a play-off Home Game, for any play-off date being held for the SuperSonics and subsequently not used for a SuperSonics home play-off game, with the exception of one day per week which may be scheduled for another event, unless the SuperSonics are likely to play more than two (2) playoff games in such week. Dates reserved for events other than Licensee's play-off Home Games shall not exceed two dates together at any one time. The Director shall make available to LICENSEE a copy of the official NBA playoff schedule.

3. The Director shall schedule and reserve the KeyArena for a play-off Home Game and confirm such date by written endorsement notice to LICENSEE if, and only if, the WHL schedules the Seattle Team for such a play-off Home Game and LICENSEE gives notice to Director of the dates of such play-off Home Games.

4. The parties agree to review the language in Subsection III.B. hereof following each season under this agreement and make any adjustments as are mutually agreed upon.

C. Scheduling Use of KeyArena for Other than a Home Game:

LICENSEE may request the Director to schedule and reserve use of the KeyArena each hockey season for one (1) Seattle Team-related event other than a Home Game (such as a season ticket holder's reception or other promotional event) to occur on a day between September 24, and the next succeeding March 31. No admission fee shall be

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charged for such an event without the prior approval of the Director. The Director shall schedule and reserve the KeyArena for such use and confirm such LICENSEE-selected day by written endorsement notice to LICENSEE if and only if:

1. The KeyArena is not being tentatively held, and has not been scheduled and reserved or contractually committed, for use on such day by a third party; and
2. CITY has not planned to use the KeyArena, itself, or to perform maintenance, repair or improvement work therein, and the Director is willing and able to reschedule such CITY use, maintenance, repair or improvement work to a different date; and
3. In the opinion of the Director, the KeyArena not only can be converted from the use configuration required by the immediately preceding user into the configuration and by the time desired by LICENSEE, but also can be reconverted from LICENSEE's desired configuration into the next succeeding user's desired configuration by such succeeding user's time deadline for such action.

IV. SCOPE OF PREMISES USE GRANTED TO LICENSEE

A. Premises Licensed for Use and Occupancy By LICENSEE:

CITY hereby grants to LICENSEE the right and license to use and to authorize others to use solely for and in connection with the presentation of a Home Game or a Seattle Team-related event other than a Home Game pursuant to Subsection III.C, in the Seattle Center facilities and spaces specified in this Subsection IV.A and made available to LICENSEE for use in common with others under Subsection IV.C, hereof, in consideration of LICENSEE's providing of the compensation specified in Section IX, hereof, and compliance with all other applicable terms and conditions of this Agreement:

1. Full Time Use of KeyArena Dressing, Training, Office & Ticket Sales Facilities:

The Northeast Dressing, Training & Office Rooms as follows: Rooms E28A, E28B, E28C, E28E, E28F, E28G, E29A, E29B, E29C, E29D, E29E, E30B, Storage Closet E05C, Media Lounge Closets L14C, L14D and L14E, and the northernmost ticket sales booth and the office area immediately adjacent thereto at all times through the expiration or earlier termination of this Agreement; provided that if CITY were successful in securing any Olympic Committee events for KeyArena during LICENSEE's off-season, or if CITY were successful in securing NCAA Basketball Tournament events, LICENSEE, upon reasonable notice from CITY, shall move out of certain use spaces for the duration of the event, provided that the spaces to be vacated and the time period for said vacation of space shall be mutually agreed upon

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by LICENSEE and CITY, and CITY shall pay for LICENSEE'S actual costs for moving out and back in to said spaces.

2. Game Day Use of KeyArena Ice Floor and Related Areas and Fixtures:

On each Game Day, LICENSEE shall have the right to use those portions of the KeyArena that are reasonably necessary for the playing, exhibition and viewing of, and attendance at, WHL hockey games, including but not limited to the audience seating areas (other than Suites) ice floor, dasher boards, scoreboard, and Rooms E01G, E01H, E01J, and E02C. Such use shall begin at 9:00 a.m. and end at 11:59 p.m. of that same day, except that (1) on any Game Day on which the KeyArena must be converted from another use to a hockey facility, LICENSEE's use shall begin at noon or such earlier time on that same day as the Director shall specify, and (2) on any day when another event on the same day either precedes or follows a Home Game, LICENSEE's use shall be subject to the time required to turn over the building events for use by the Seattle Team and the visiting team.

3. Event Use of Unlicensed KeyArena Suite Until Suite License Agreement Executed:

If all of the Suites (except as noted below in this Subsection) in the KeyArena have not been licensed by the Suite Licensor for use by one or more third parties, LICENSEE may enjoy, without additional charge (except as noted below in this Subsection), the use of an unlicensed Suite that is specified from time to time by the Director, until such Suite has been licensed for use by one or more third parties. Such Suite use by LICENSEE shall be limited, however, to only the viewing by LICENSEE's invitees of the following:

- a) Seattle Team Home Games.
- b) Six (6) SuperSonics regular season home games. The specific dates for which shall be determined by the Director, in consultation with LICENSEE, prior to the start of the SuperSonics Season, provided that a different date may be substituted if mutually agreed by both parties. Seattle Center has the first choice of SuperSonics home games to hold for per game sales.
- c) Additional events under the following circumstances (i) the event is included among those presentations in the KeyArena to which admission tickets are offered for sale to the general public and suite licensees are granted admission without additional charge; (ii) there is a suite available within 48 hours of the event, and; (iii) LICENSEE pays to CITY a fee for the use of said suite equal to the then-current percentage share of suite revenue due to BCS (Such events do not include presenta-



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tions such as graduations, religious meetings, or political conventions with respect to which tickets are sold or otherwise distributed to attendees on a restricted basis, or any N.C.A.A. Basketball Tournament games, or competition sanctioned by the United States Olympic Committee, or National Basketball Association All-Star Game, or any presentations that CITY is contractually precluded from making available for viewing by suite occupants without an additional charge, and no suite use shall be permitted under this Agreement for any such presentation.)

Suite use shall also be conditioned on LICENSEE's compliance with the same terms and conditions applicable to the lessees and occupants of other KeyArena Suites, other than payment of the quarterly License Deposit, License Fee, and Leasehold Excise Taxes due and payable thereunder. When all other suites (with the exception of one suite provided to BCS as part of BCS' lease terms for the KeyArena, and two suites to be marketed and sold on a per event basis) have been licensed for use by one or more third parties, the Director or the Suite Licensor shall advise LICENSEE by telephone or other means of communication or notice, of such fact and the Suite Licensor's potential need to use, for marketing or other purposes, the Suite that LICENSEE has previously been using. Upon LICENSEE's receipt of notice from the Suite Licensor of the Suite Licensor's intention to show such suite to one or more third parties during any event in KeyArena, LICENSEE shall not use or occupy such suite for such event. From and after LICENSEE's receipt of notice from the Suite Licensor of the execution of a Suite License Agreement with respect to the suite currently being used by LICENSEE pursuant to this Subsection, LICENSEE shall vacate the suite LICENSEE has been using, remove any personal property of LICENSEE that has been located in such suite, and cease any and all use of such suite except as otherwise authorized by the third party licensee of the same. If another unlicensed suite is available (with the exception of the suite provided to BCS as part of BCS' lease terms for the KeyArena, and two suites to be marketed and sold on a per event basis) the LICENSEE may use another unlicensed suite specified by the Director under the same terms and conditions listed above.

B. KeyArena Areas Not Made Available for LICENSEE's Use or Occupancy:

Except as otherwise provided herein or as expressly permitted by the Director, in writing, LICENSEE shall have no right to use or to restrict use by others of the following portions of the KeyArena, which are reserved for use by the City or one or more third parties authorized by the City:

The men's and women's restrooms and toilet/shower areas located outside of those specified in Subsection IV.A.1 hereof, and those portions of the KeyArena as follows: areas

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designated as housing any equipment of the following types, or otherwise used for any of the following purposes: "elevator equipment," "electrical," "mechanical," "chillers," "fire control," "machine room," "control room," "security," "office," "vestibule," "passage," "crewmen," "crewwomen," "janitor," "first aid," "dressing," "training," "storage," or "staging;" rooms E14C, E14F, E14G, E15A, E15B, E15C, E15F, E15G, E15H, E16D, E16E, E16G, E16H, E17A, E17B, E17C, E17E, E17F, E17G, E18A, E18C, E19A, and E19B; all areas identified as "radio work room," "media workroom," "communications," "sound equipment," "telecommunications," "media lounge," "video control room," "ATM," "suite entry," "suite concourse," "guest lounge," "guest relations," "performer dressing," "star dressing," "information booth," "club," "club passage," "concession(s)," "vendor commissary," and portions of the Annex D Pavilion including but not limited to the loading dock, shell space, locker rooms, generator room, primary electrical room, and existing kitchen and receiving areas.

C. Use of Common Areas:

LICENSEE is hereby granted the right to use the common areas of the KeyArena (including but not limited to lobbies, balconies, mezzanine, corridors, concourses, ramps, stairs, landings, vomitories, elevators and public restrooms) in common with authorized third parties, to access the areas of the Game Site that have been specifically licensed for use by it under this Agreement to ensure the delivery of necessary equipment, supplies and materials; to remove waste materials; and to complete other necessary activities authorized in the Premises licensed hereunder. Neither LICENSEE nor any of its officers, employees, players, invitees, contractors or any of their subcontractors shall use any portion of Seattle Center not specifically granted to LICENSEE for its use and occupancy hereunder, to meet governmental requirements peculiar to LICENSEE's operations on the Premises or otherwise, without the Director's Approval. Whenever LICENSEE or any of its officers, employees, players, invitees, contractors or any of their subcontractors shall require any equipment, separate area or special facility to satisfy any such governmental requirement, such equipment, area, and facility shall be located within the Premises at LICENSEE's sole expense.

V. **LICENSEE'S OBLIGATION TO USE KEYARENA AND TO ASSUME COSTS THEREFOR**

Subject to the conditions specified in Section XXIII, hereof, LICENSEE shall schedule and play all of the Seattle Team's Home Games (other than preseason games) at KeyArena, unless a scheduling conflict necessitates, or the Director provides Approval for, moving a Home Game to another venue.

A. LICENSEE to Assume Costs Associated With Use of Game Site; Limitations on Costs to be Assumed:

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LICENSEE shall assume and pay all costs of LICENSEE's use of the KeyArena including but not limited to the expenses of the Seattle Team, guarantees and other payments to the visiting teams, payments to CITY pursuant to Section IX, hereof, and other expenses incident to the active management and operation of a WHL franchise. LICENSEE shall not be obligated to pay or reimburse CITY for expenses incurred by CITY in performing CITY's obligations and duties under this Agreement unless otherwise specifically provided herein.

VI. CITY'S RIGHT TO USE, OR ALLOW USE OF, KEYARENA FOR HOCKEY RESTRICTED, BUT NOT OTHERWISE

CITY shall not permit KeyArena to be used for any professional, semi-professional, WHL, or major junior hockey game other than a hockey game involving LICENSEE or hosted or promoted by LICENSEE, without LICENSEE'S Approval. Except as provided in the preceding sentence, nothing herein shall restrict the ability or right of CITY to use or permit the use of KeyArena by any other person or entity for any purpose on any date not reserved by CITY for LICENSEE pursuant to Subsection III. A, hereof, or for any non-professional hockey game (except for WHL or major junior) including but not limited to any such game that is sponsored or presented by the United States Olympic Committee, the National Collegiate Athletic Association, or any such entity's successor(s).

VII. RIGHT GRANTED FOR SALE AND DISPLAY OF ADVERTISING ON PREMISES

A. Areas Included in Authorization to Sell Advertising Rights:

Except as otherwise provided in this Subsection, CITY hereby grants to LICENSEE the exclusive right to sell and display at all Home Games, temporary advertising in the KeyArena on the ice floor, dasher boards, and Zamboni, without additional compensation to CITY. No other areas of the Game Site may be used for the display of temporary or permanent advertising without the Director's Approval.

B. Limitations on Copy and Imagery of Advertising Displayable at Game Site:

The copy and imagery for, and the specific location of, all advertising to be displayed in the Game Site shall be subject to the Approval of the Director and LICENSEE. In order to retain a family atmosphere at the Seattle Center LICENSEE shall not advertise or permit any tobacco product or alcoholic beverage other than beer and wine to be advertised on the Premises. Nothing in this Agreement shall be deemed to either require LICENSEE to accept any offer to purchase any opportunity to display, or to prevent LICENSEE from prohibiting, any advertising copy or imagery that portrays hockey playing as a violent sport or in any manner that LICENSEE considers to be unfavorable, or that otherwise denigrates the public image of hockey players generally or any hockey player specifically.

C. BCS Control of First Right to Purchase KeyArena Advertising:



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LICENSEE shall not sell to, or otherwise contract with, any person or entity for or with respect to the right to display any advertising in the KeyArena authorized by Subsection VII. A hereof until after LICENSEE has detailed, in a written communication to BCS delivered on or before April 1st of each year for the upcoming season the minimum terms and conditions of such advertising display opportunities; LICENSEE has given BCS a reasonable opportunity to re-offer to one or more of the purchasers of KeyArena advertising opportunities controlled by BCS (hereinafter "BCS's advertisers") such KeyArena advertising display opportunities; and neither BCS nor any of BCS's advertisers has accepted such terms and conditions for the purchase of any such KeyArena advertising display opportunities on or by July 31st, or such earlier date agreed to by BCS, of each of the years in which such terms and conditions are to be detailed by LICENSEE to BCS. If either BCS or any of BCS's advertisers desires to purchase any portion of such advertising display opportunities, LICENSEE shall contract with BCS or such BCS advertiser for the quantity of such advertising display opportunities that is desired by BCS or such BCS advertiser, under the terms and conditions specified by LICENSEE to BCS, before LICENSEE offers the remainder of such display opportunities to any other person or entity. The terms and conditions of such advertising display opportunities may require, at LICENSEE's discretion, the purchasing of a package of advertising display opportunities combining ice floor, Zamboni, and/or dasher board advertising with radio, television, scorebooks, season tickets, programs, or other promotional opportunities created by or for LICENSEE or any combination thereof.

D. LICENSEE's Rights Restricted:

LICENSEE shall have no right to prohibit or limit the displaying of, or to receive any revenue from permanent or temporary advertising in any Seattle Center facility presented for or by any third party or CITY and directed to the general public or any other person or entity during LICENSEE's use of the Premises.

E. Title Sponsor's Identification in KeyArena:

Notwithstanding anything to the contrary in this Section VII, the "title sponsor" for the KeyArena shall be entitled to display such title sponsor's own advertisement or display on the Zamboni, provided that the location of such advertisement or display is mutually agreed to by CITY and LICENSEE, and to use approximately ten (10) square feet of display space in the center of the ice floor for such title sponsor's own advertisement or display without the payment by CITY or any other person or entity of any sum of money to LICENSEE, and CITY reserves for itself and BCS, the right to grant such title sponsor the right to such display opportunities.

F. Display of Seattle Center Identification on Ice Floor:

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CITY shall have the right to display the words "Seattle Center" and the building name on the ice floor of the KeyArena, for example: "KeyArena at Seattle Center".

VIII. RIGHT GRANTED FOR SALE AND DISPLAY OF HOCKEY NOVELTIES ON PREMISES

CITY hereby grants to LICENSEE the exclusive right to sell and display Hockey Novelties at all Home Games in the Game Site in the specific location(s) designated from time to time by the Director, without additional compensation being payable to CITY. The Director will consult with LICENSEE regarding Director's designation of areas allowed for novelty sales and displays.

IX. COMPENSATION AND SERVICES DUE TO CITY FROM LICENSEE

A. Compensation to be Provided:

In consideration of the Premises license as granted in Section IV, hereof, and CITY's providing to LICENSEE various services as described herein, LICENSEE shall remit to CITY, without deduction or offset of any kind or nature whatsoever, the following:

1. License Fee for Facility Use:

a. For thirty-six (36) regular season Home Games and the first two (2) play-off Home Games for the 2003-04 season, the greater of Sixteen and One-half Percent (16.5%) of Gross Ticket Revenue or Three Hundred Thousand Four Hundred Forty Dollars (\$300,440) (the "Minimum License Fee"). Beginning with the 2004-5 season, the Minimum License Fee for thirty-six (36) regular season Home Games and the first two (2) play-off Home Games shall increase by the CPI as provided in Section IX.C. of this Agreement.

b. For each play-off Home Game after the first two (2) and for each pre-season Home Game, a fixed per-game License Fee of Thirteen Thousand Dollars (\$13,000.00).

c. For a non-Home Game KeyArena use pursuant to Subsection III.C hereof, a License Fee equal to the aggregate actual costs the CITY incurs for facilitating and permitting the same to occur, as reasonably determined by the Director.

d. If the number of regular season Home Games changes to something other than thirty-six (36) during the term of this Agreement, CITY and LICENSEE shall negotiate terms and conditions to reflect such change.

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e. If the occasion arises for a Seattle Team Home Game to be held in the Mercer Arena during the term of this Agreement, CITY and LICENSEE shall negotiate terms and conditions for the playing of any such Home Game(s) in the Mercer Arena.

2. Percentage Fee for Home Game Preservation, Transmission, and Reproduction Rights, and Reimbursement of Added Operating Costs Because of Broadcasting:

Fourteen Percent (14%) of that portion of gross receipts that has been actually received by LICENSEE from the sale of any rights to the preservation, transmission or reproduction (other than by radio broadcasting) pursuant to Section XIII hereof, of Home Games at or from a Game Site plus reimbursement of additional CITY costs incurred in the operation of the Game Site because of the exercising of any such preservation, transmission or reproduction rights.

3. Radio, Television, and Public Address Time:

LICENSEE shall afford CITY one (1) minute of radio advertising time per broadcast game, thirty (30) seconds of television time per televised game, three (3) minutes of public address time per Home Game, and two (2) minutes of time on the scoreboard video screen per Home Game. The timing and placement of such radio, television, public address and scoreboard video screen time shall be subject to the mutual consent of the Director and the LICENSEE, which consent shall not be unreasonably withheld by either party.

4. Fee for Additional Personnel and Special Event Service Costs:

All fees imposed in connection with the provision of additional Seattle Center personnel pursuant to Subsection XI.F.4, including the providing of stage labor, admission, spotlight operators, and other personnel as well as facilities and equipment needed to facilitate the production of any pre-, mid-, or post-Home Game special activity that has not ordinarily been a part of the normal production and exhibition of a WHL hockey game at a Game Site, including incremental costs incurred by the CITY for a pre-, mid-, or post- Home Game special activity due to such activity having been scheduled such that Seattle Center personnel needing to be scheduled to work in connection with such activity receive less than five (5) days prior notice, the aggregate of the standard CITY charges for providing such personnel, facilities, and equipment for such special activity (calculated at the applicable rate(s) therefor, as published in the then-current Seattle Center Event Service Manual or its successor publication).

5. Fees for Practices On Other Than a Game Day and for Installation of Dasher Advertising:



a. LICENSEE shall pay the incremental costs incurred by CITY to facilitate a Seattle Team or visiting team practice on other than a Game Day including, but not limited to, the incremental cost of turning over the building to a hockey configuration from a non-hockey configuration in less than two (2) days, the incremental labor costs due to a practice being scheduled such that Seattle Center personnel needing to be scheduled to work in connection with such a practice receive less than five (5) days prior notice, and the cost of additional personnel required for the practice itself; plus

b. the CITY'S costs incurred in installing dasher advertising, provided that no such fee shall be charged if LICENSEE provides CITY with at least forty-eight (48) hours' prior notice of the need for such work.

6. Fee for Capital Costs of Hockey Safety Netting

LICENSEE shall pay 50% of the capital costs incurred by the CITY to install and maintain hockey safety netting in KeyArena during the term of this Agreement.

B. Reporting, Invoicing and Timing of Payments:

LICENSEE shall deliver to CITY, c/o Seattle Center Accounting Office, 305 Harrison Street, Seattle, Washington 98109, or such other address as CITY may specify from time to time, the following sums together with an accounting worksheet, in a form subject to the Director's Approval, that separately identifies the amount of each such payment and the source thereof (by reference to the pertinent subsection of this Agreement requiring such payment):

1. Minimum License Fee - For each season during the Term of this Agreement, the Minimum License Fee shall be paid in four (4) equal installments due on or before the following dates:

Installment 1 - November 15 for the season beginning in that year;

Installment 2 -- By the close of business of the second to last working day of December for the season beginning in that year;

Installment 3 - February 15 for the season ending in that year; and

Installment 4 - March 30 for the season ending in that year.

2. Percentage of Gross Ticket Revenue Above Minimum License Fee -- Additional License Fee for Facility Use above the Minimum License Fee, pursuant to Subsection IX.A.1, and Licensee Fee for any play-off Home Game after the first two

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and License Fee for any pre-season Home Game, shall be due on or before the fifteenth (15th) day of the month for the preceding month.

3. On or before the fifteenth (15th) day of each month during the Term hereof, the respective percentages due to CITY pursuant to Subsections IX.A.2, hereof, of Gross Receipts generated by LICENSEE during the preceding calendar month from the preservation, transmission and reproduction of Home Games from a Game Site.

4. On or before the thirtieth (30th) day after the date of any CITY invoice therefor, the sums due to CITY pursuant to Subsections IX.A.4, IX.A.5, XXII.F, XXVI.B.3, and XXVI.C, hereof; and reimbursement due pursuant to subsection IX.A.2 and XI.G.10 hereof.

5. All payments shall be delinquent if not paid on the date due. Delinquent payments shall be subject to an invoicing service charge of Fifty Dollars (\$50.00) and shall also bear interest at a rate of one and one-half percent (1-1/2%) per month from the date of the delinquency until paid. Payments made after a delinquency shall be applied first to accrued interest, and then to the principal sum due. For disputed charges which are addressed through the disputes resolution process pursuant to Section XXVII of this Agreement, all or a portion of service charges and fees for delinquent payments shall be credited back or reimbursed to LICENSEE if the result of the dispute resolution is to reduce or eliminate such disputed charges. The due date for disputed payments shall be ten (10) days after a resolution is reached through the disputes resolution process.

C. CPI Increase for License Fee:

Beginning with the 2004-5 season, the minimum License Fee shall be increased by the percentage increase (if any) in the Consumer Price Index for All Urban Consumers ("CPI-U" / 1982-84 = 100) Seattle-Tacoma-Bremerton, WA Area, as published by the U.S. Department of Labor, Bureau of Labor Statistics or its successor, that occurred during the immediately preceding calendar year; provided, that in the event of a change in the index base of (1982-84 = 100) or other modification of such index, the City shall apply whatever conversion factors are necessary to establish an adjusted CPI-U that produces the percentage increase in the CPI-U for each such annual period that would have been produced had no change been made in such index by its publisher; and in the event such index is discontinued, the Director shall select and use for such license fee adjustment purpose a similar index that reflects consumer price changes.

D. Books and Records; Audit:

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1. LICENSEE shall keep true, accurate, complete and auditable records and receipts relating to revenues accrued from the sale of rights relating to the preservation, transmission or reproduction of Home Games at or from the Game Site, the sale of advertising on the Premises, and admissions allowed to the Game Site including complimentary admission tickets and credentials issued, which records shall be subject to the Director's Approval as to form and shall be retained in King County, Washington, for at least thirty-six (36) months after the close of the fiscal year in which they were generated or issued. All business records associated with LICENSEE's activities under this Agreement shall be separate from the records pertaining to other business activities of LICENSEE.

2. LICENSEE shall permit CITY, from time to time during regular CITY working hours, as the Director or City Auditor deems necessary, to inspect and audit in King County, Washington and to verify the accuracy of the payments previously made by or due from LICENSEE, all books and records of LICENSEE pertaining to Home Games admissions including but not limited to the numbers of complimentary tickets and credentials issued for admission to any Game Site, or pertaining to the sale of advertising and radio and television transmission rights pursuant to this Agreement and the amount of revenues received or receivable therefrom. LICENSEE shall supply CITY with, or shall permit CITY to make, copies of any such books and records and any portion thereof, upon CITY's request and at CITY's cost. LICENSEE shall ensure that such inspection, audit and copying right of CITY is a condition of any subordinate agreement or other arrangement under which LICENSEE permits any other person or entity to carry on a business activity in, on, or from the Premises.

3. CITY shall notify LICENSEE of the amount of any overpayment or underpayment found. Any overpayments shall be applied as a credit against any fees and charges subsequently due to CITY unless LICENSEE provides notice to the Director, within seven (7) calendar days after the date of CITY's notice of overpayment, that such overpayment should be refunded to LICENSEE.

4. LICENSEE shall provide to CITY on or before the fifteenth (15th) day of the month for the preceding month, in a form subject to the Director's Approval, a report of the (1) Gross Ticket Revenue and (2) Gross Receipts from the preservation, transmission or reproduction of a Home Game received by LICENSEE for Home Games during said month. This monthly report shall include Gross Ticket Revenue for the purposes of calculating the License Fee for Facility Use pursuant to Subsection IX.A.1.

5. LICENSEE shall present to Director or Director's designee on at least an annual basis the LICENSEE's marketing and business plan, and shall meet at such other times with Director or Director's designee, as reasonably requested by Director or Director's designee, to provide an update on the implementation of LICENSEE's marketing and business plans.

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6. CITY covenants and warrants that it will make a good faith effort to keep the information acquired pursuant to this Subsection confidential and that it will not disclose any of such information for any purpose during the Term hereof or any time thereafter except with respect to the disclosure of information concerning the amount of the payments made or due to CITY pursuant to Section IX, hereof, and otherwise as may be required by law.

7. Provisions of this section shall survive the expiration or early termination of this agreement.

X. COMPENSATION DUE TO LICENSEE FROM CITY

A. Concession Revenue Percentage:

Following CITY's receipt of concession reports from CITY's official KeyArena concessionaire, CITY shall remit to LICENSEE or credit against License Fees due from LICENSEE, the following percentage of the gross receipts derived from food and beverage concession sales for Home Games played at a Game Site during that season:

1. For the first thirty-six (36) regular season Home Games and the first two (2) play-off Home Games in any season -- Fifty Per Cent (50%) of the CITY's share of that portion of the gross receipts that has been derived from food and beverage concession sales in each season in excess of Three Hundred Thousand Dollars (\$300,000);

2. For each play-off Home Game after the first two (2) in any one season and for pre-season Home Games -- Ten Percent (10%) of the CITY's share of gross receipts derived from food and beverage concession sales at those games;

3. CITY shall remit to LICENSEE any gross receipts derived from food and beverage concession sales due to LICENSEE pursuant to this Subsection within fifteen (15) days after receipt by CITY of said concession revenue from the Game Site concessionaire, or LICENSEE may deduct the concession amount due from the next License Fee payment due to CITY. At the time of making a License Fee payment to CITY, LICENSEE may deduct from said payment estimated concession revenue due to LICENSEE from CITY pursuant to this Subsection for games occurring in the time period for which License Fees are being paid, but for which concession sales information has not been received, provided that such estimated concession amounts shall be based on a method of calculation Approved by the Director, which Approval shall not be unreasonably withheld.



4. Within fifteen (15) days after receiving concession sales information for Home Games from the concessionaire, the City shall send a copy of such concession sales information to the LICENSEE.

5. Once concession sales information is available for all games, CITY and LICENSEE shall make a final reconciliation of amounts due one from another and make any final payment due to either party. Such final payment shall be due within thirty (30) days after both parties have received concession sales information for all games.

6. Notwithstanding anything to the contrary in this Section, LICENSEE shall not be entitled to any percentage of gross receipts derived from catering activity in the Game Site or from any food or beverage concession sale or catering service delivered or provided to any occupant of any suite. In addition, for the purpose of Subsection X.A, the term "Concession Sales Gross Receipts" means the gross revenue derived from the sale of concession food and beverages including but not limited to sales from concession stands open to the general public as well as sales in any special seating section (not including Suites), less applicable sales taxes collected on such sales.

B. CITY Reimbursement of Law Enforcement Officer and Emergency Medical Personnel Expenses:

CITY shall reimburse LICENSEE, or credit against License Fees due from LICENSEE, fifty percent (50%) of the direct costs incurred by LICENSEE in securing law enforcement officer services and Emergency Medical Personnel, as required by Subsections XI.F.2 and XI.F.3, hereof. Such reimbursement shall be paid (or credited against other fees due), following CITY's receipt and approval of an invoice for such costs and documentation of payment therefor.

C. Revenue From Single Game Suite Rentals for Home Games:

In any one season, LICENSEE shall receive 50% of the CITY's share of single game suite rentals generated by LICENSEE for Home Games, up to the point that the CITY has earned \$4,000 (the CITY's "base" amount) from all single game suite rentals for Home Games. After the CITY has earned \$4,000 from single game suite rentals for Home Games, LICENSEE shall receive 75% of the CITY's share of single game suite rentals for Home Games.

XI. PARKING, UTILITY, PERSONNEL, MAINTENANCE AND OTHER SERVICE RESPONSIBILITIES

A. Parking Permits or Passes:

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The Director shall annually issue to LICENSEE the number of parking passes or permits designated below, each of which shall authorize the holder thereof, upon presentation of such pass or permit, to admission into one of the parking facilities or lots designated on such permit or pass, and during the period such permit or pass is displayed in or on the front windshield of such vehicle, to park, subject to all conditions of this Agreement and rules and regulations adopted by the Director relating to vehicle parking, one (1) automobile or motorcycle in a parking space in such facility or lot, without charge, if a parking space is otherwise open and available therefor:

1. In Connection With Facility Use:

Fifteen (15) Seattle Center parking permits or passes to be exclusively used by LICENSEE's players and staff, authorizing vehicle parking in the First Avenue North Parking Garage (except on SuperSonic game days) or in the Mercer Street Parking Garage when the driver or a passenger of the vehicle to be parked is on official business for LICENSEE.

2. For KeyArena Game Day Parking:

Fifteen (15) Seattle Center parking permits or passes to be exclusively used by LICENSEE's players and staff, authorizing vehicle parking in the South KeyArena Parking Lot on any KeyArena Game Day when the driver or a passenger of the vehicle to be parked is on official business for LICENSEE.

3. For General Parking:

Three (3) Seattle Center vehicle parking permits or passes valid for use as follows:

a. One (1) for use in the South KeyArena Parking Lot on any day except a day on which the SuperSonics are to play or practice basketball in the KeyArena, or on a day when another event, or the move-in or move-out of an event, precludes the use of said space, as determined by the KeyArena Manager, and on any such excepted day, in any Seattle Center parking facility other than Lot 4 or the First Avenue North Garage; provided, that all such use shall be only while the driver or a passenger in the vehicle to be parked in such parking facility is on official business for LICENSEE.

b. Two (2) for use in the West Court Building parking lot.

B. General Utilities:

CITY shall provide electricity, water, heating and cooling ventilation, sewer and solid waste removal, all as reasonably required for LICENSEE's use of the Game Site as



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contemplated herein. LICENSEE shall secure, at no expense to CITY, whatever telephone service LICENSEE desires to and from any KeyArena Dressing, Training, Office and Box Office areas and, with the Director's Approval, to and from other areas of the KeyArena. CITY shall not be liable for any interruption or failure in the supply of any utility service to the Game Site, but where the repair work required to remedy any interrupted or failed utility system is a normal function of Seattle Center maintenance and repair personnel, then CITY shall make a good faith effort to accomplish such repair work in a manner and within such time that the adverse impact of such interruption or failure upon the playing of Home Games is minimized.

C. First Aid Facility:

On every Game Day, CITY shall make available to the general public a first aid facility in the Game Site.

D. Public Address Facilities:

On every Game Day, CITY shall provide LICENSEE with exclusive access to, and control of, the public address facilities in the Game Site, which right shall not permit LICENSEE to use or allow others to use such public address facilities for any political purpose. Notwithstanding any other provision hereof, CITY reserves the right to use the public address facilities on the Game Day for general safety, health, and legal announcements including but not limited to, those for emergency or crowd control purposes.

E. Scoreboard:

On every Game Day, CITY shall provide a scoreboard having the capability of presenting, on a fixed-format basis, game-in-progress information including but not limited to team scores, period in progress, time remaining in the period, number of player(s) penalized, and time remaining in the penalty. LICENSEE shall use qualified scoreboard operator(s), subject to the Approval of the Director and BCS, to operate the KeyArena scoreboard in connection with LICENSEE's use of such facility. To arrange for BCS to provide scoreboard operation at any KeyArena Home Game, LICENSEE must provide notice to the Director not less than ten (10) CITY business days prior to each such use, of LICENSEE's need of such operator. Upon CITY's receipt of such notice, CITY shall notify BCS of such need and either contract with BCS for such operator's services or shall request BCS to contract directly with LICENSEE for the same. At CITY's option, LICENSEE shall either reimburse the full cost incurred by CITY in securing such operator from BCS or shall directly compensate BCS for such services. If LICENSEE desires operation of the video screen at a Home Game, LICENSEE shall arrange for such video screen operation with BCS under terms and conditions negotiated between LICENSEE and BCS.

F. Personnel:

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1. CITY shall provide appropriately trained ticket takers, Seattle Center Emergency Services personnel, parking attendants, ushers, Zamboni driver, maintenance and other support personnel necessary to operate the Premises in the manner and for the purposes contemplated herein. The parties, acting reasonably, shall agree on the number of all such personnel. CITY makes no warranty or representation and assumes no responsibility whatsoever with respect to Seattle Center Department Emergency Services personnel provided or assigned and shall have only such liability as it would have were no such personnel provided.

2. LICENSEE shall secure off duty Seattle Police Department law enforcement officers to provide security inside the Game Site or for crowd control and protection of players and officials in connection with LICENSEE's use of the Game Site. No other public or private security personnel may be used by LICENSEE on the Premises without the written permission of the Director.

3. Emergency Medical Personnel: Licensee shall secure Emergency Medical personnel equipped with cardiac resuscitation and emergency intervention equipment of the sort that is commonly available in Seattle "Medic One" units to be on duty at all Home Games, subject to the Approval of the Director regarding the number, source and qualifications of such Emergency Medical personnel.

4. CITY shall engage or assign to work at LICENSEE's event all additional Seattle Center personnel needed to accommodate LICENSEE's requirements in connection with any pre-game, mid-game or post-game activities that are not a part of a Home Game itself.

G. Maintenance Responsibilities:

1. Except as otherwise provided in Subsections XI.G.7 through XI.G.10, hereof, CITY shall maintain the Premises, including but not limited to the ice floor, dressing rooms, and CITY-owned equipment therein, in a neat, clean, safe and sanitary condition, in a good state of repair, and otherwise in compliance with the standards and conditions set from time to time by the WHL and communicated to CITY by LICENSEE. If LICENSEE believes CITY is not in compliance with this Subsection, LICENSEE may notify the Director in writing and pursue the matter through the Dispute Resolution process described in Section XXVII.

2. CITY shall maintain the various parking facilities and lots in which LICENSEE's staff and players may park motor vehicles pursuant to Subsection XI.A, hereof, in a state of good repair during each of LICENSEE's Game Site use periods identified in the endorsements notices provided pursuant to Section III, hereof.

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3. CITY shall convert the Game Site as may be necessary in an orderly and timely fashion to permit use by LICENSEE on each Game Day as contemplated in Section IV, hereof.

4. CITY shall maintain the Game Site's hockey dasher board system including all spectator shielding panels, ice stops, and carrying and storage carts associated therewith, in a clean and fully usable state of repair throughout the term of this Agreement, making or arranging for the making, in a timely manner, of all repairs thereto and replacements of component parts thereof as shall be necessary due to damage incurred during move-in, move-out, installation, removal, and/or storage of equipment.

5. CITY shall not be responsible for providing or performing any maintenance, repair or servicing of any of LICENSEE's equipment or other personal property, and the maintenance, repair or servicing of all of the same shall be the sole responsibility of LICENSEE.

6. CITY shall ensure that the hockey dasher board system and the clear plastic screen on the hockey dasher board system are installed in the KeyArena, as desired by LICENSEE, prior to each practice and Home Game scheduled for such facility, and shall remove and store such dasher board system and clear plastic screen after the completion of each such use unless such system and screen are required for use on a succeeding day without an intervening use.

7. LICENSEE shall maintain all advertising secured by LICENSEE pursuant to Section VII, hereof, ensuring that once any portion of such advertising becomes torn, dirty, out-of-date, disfigured, or otherwise unreadable or unattractive, the same is removed or replaced.

8. LICENSEE shall keep the Premises identified in Subsection IV.A 1 hereof, and all improvements to the same including but not limited to all fixtures, equipment, appurtenances, windows, interior spaces and interior doors therein in good working order and repair, in a neat, clean, safe and sanitary condition, and in compliance with the requirements of all applicable laws, ordinances, rules and regulations, at all times throughout the Term of this Agreement, all at no cost and expense to CITY. LICENSEE shall immediately repair or replace any defective or malfunctioning element in any such area other than an element of any building system, whether structural, electrical or mechanical, and, without limiting the generality of any of the foregoing, shall keep the glass of all windows and doors clean and presentable, replace immediately all broken glass, paint and refinish the interior of that portion of the Premises at regular intervals, keep all door closure mechanisms functioning; and keep all pipes, drains, toilets, fixtures and basins within any such area clean and free of debris and any obstruction. LICENSEE shall not allow, or cause anything to be done whereby that portion of the Premises is damaged in any manner, normal wear and tear excepted.



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9. LICENSEE shall be responsible for providing or performing all maintenance, repair and replacement of equipment that is provided by or installed by or for LICENSEE pursuant to this Agreement for use on the Premises.

10. If LICENSEE fails to perform maintenance, repair, replacement or renovation work required by this Agreement, then CITY may provide LICENSEE with notice that sets forth the nature of the condition requiring such action. If LICENSEE fails to perform maintenance, repair, replacement, or renovation work within a reasonable time after receipt of such notice and such failure has an adverse impact on the full use and enjoyment of the KeyArena by CITY or by any third party licensee of CITY, then CITY may elect to perform such maintenance, repair, replacement or renovation, itself, or cause the same to be performed for LICENSEE at commercially reasonable rates and offset the expenses incurred for such work against any other amount that is payable by CITY to LICENSEE or may invoice LICENSEE for the reimbursement of such expenses, which reimbursement shall be paid as provided in Subsection IX.B.4, hereof.

XII. CITY'S CONTROL OF BUILDINGS AND GROUNDS AND ACTIVITIES AND RIGHT TO USE DASHER BOARD SYSTEM AND RELATED EQUIPMENT

CITY reserves the exclusive right, without liability of any kind, to do any and all of the following so long as the same does not substantially interfere with admission to the viewing and playing of WHL hockey games by the Seattle Team as contemplated herein:

- A. Increase, reduce, and change in any manner whatsoever the number, appearance, dimensions, and locations of the Seattle Center walks, buildings, landscaping, parking, and service areas, and make improvements, alterations, and additions to the portions of the Seattle Center facilities that have not been made available to LICENSEE for its exclusive use.
- B. Regulate all traffic within and adjacent to the Seattle Center.
- C. Impose a reasonable charge for admission to the Seattle Center and facilities therein; provided, that nothing herein shall limit CITY's authority to impose any admission tax or facility fee so long as such tax or fee is not imposed on Seattle Team Home Games only.
- D. Erect, display and remove promotional exhibits and materials and permit special events to occur in and on the Seattle Center grounds, buildings, and facilities including the Premises.
- E. Promulgate, from time to time, reasonable rules and regulations regarding the use and occupancy of any area of Seattle Center.

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F. Determine the days and hours the Seattle Center and various business operations conducted thereon shall be open to the public.

G. Determine the size, number, and type and identity of concessions, stores, businesses, and operations being conducted or undertaken at Seattle Center; and to operate and authorize others to engage in any and all forms of concession activity at the Seattle Center and in any facility thereof, as CITY deems appropriate, subject to the following provisions:

1. CITY shall require all authorized concessionaires at the Game Site to provide reasonable service and food, beverages and merchandise of wholesome quality and at reasonable prices.

2. CITY shall endeavor to ensure that no Seattle Center Game Site concessionaire operating under contract from CITY attempts to sell any product at a Game Site on a Game Day without the seller having previously consulted with LICENSEE concerning the price, type of product and brand(s) to be sold.

3. Neither CITY nor any concessionaire shall engage in the hawking of food, beverages or concession merchandise including novelties of any kind, in the public seating area (stands) of a Game Site on any Game Day, without Approval of LICENSEE.

H. On other than a Game Day, erect, use and remove, from time to time, as CITY determines to be necessary or beneficial for CITY's own purposes, the Game Site dasher board system including its spectator shielding panels, ice stop and related carrying and storage carts, and remove or display any and all advertising thereon, all without becoming obligated to LICENSEE for any compensation for such use or other actions.

XIII. RIGHTS REGARDING PRESERVATION, TRANSMISSION & REPRODUCTION OF HOME GAMES FROM A GAME SITE

Except as provided below, LICENSEE shall retain all rights to the preservation, transmission, and reproduction (including but not limited to radio broadcasting, television broadcasting, motion picture or still photography, video taping, closed circuit pay-per-view or other forms of cablecasting or electronic transmission, or any combination of any such media) of all ice hockey games played pursuant to this Agreement, and in the exercising of such rights, may make and execute any contract with respect to television and radio required by the WHL. LICENSEE shall grant to BCS in the manner specified below, a right of first refusal to exercise any or all of such rights for LICENSEE in connection with any Home Game in the KeyArena (other than the radio broadcasting of such games to the extent such broadcasting is the subject of a contract between LICENSEE and a third party broadcaster that was in effect prior to the date this Agreement was fully executed).

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LICENSEE shall not engage, contract with, or utilize any other party for the exercising of rights to the preservation, transmission, and reproduction of such hockey games until after LICENSEE has detailed, in a written communication to BCS delivered on or by April 1st in each year during the term hereof, for the WHL regular season to begin in that year, the minimum terms and conditions of any proposed arrangement for such opportunity and the exercising of such rights; LICENSEE has given BCS a reasonable time period to exercise its first right of refusal with respect to such opportunity and rights (which, in any case, shall include a reasonable period for BCS to re-offer such opportunity and rights to BCS's advertisers); and neither BCS nor any of BCS's advertisers has accepted such terms and conditions on or by July 31st of each of the years in which such terms and conditions are to be detailed by LICENSEE to BCS. LICENSEE shall reimburse all additional CITY costs of operating a Game Site that result from any such preservation, transmission, and reproduction activity. Each and every agreement LICENSEE executes for the televising of any Home Game, whether by live or delayed broadcast, shall require that the name of the Game Site, including its location "at Seattle Center", be used at least one time per Home Game period during each such telecast and that "The City of Seattle/Seattle Center" is listed on any credits shown related to such telecast.

XIV. TICKET ADMINISTRATION

A. LICENSEE's Responsibilities:

Except as provided elsewhere in this Agreement, LICENSEE shall have the exclusive responsibility for and control of the administration of all sales of tickets to Home Games, including but not limited to the printing and distributing of tickets; the undertaking and conducting of group, season, and special package sales; the establishing of any and all prices for basic admission to LICENSEE's events and activities at Seattle Center and any service charge(s) thereon (but not the establishment by any unit of government of any tax on any such admission or service charges); the collecting and counting of receipts; and accounting. As a part of this responsibility, LICENSEE shall assume all costs of such administration.

B. Complimentary Tickets:

Only LICENSEE shall be authorized to issue complimentary Home Game admission tickets or credentials.

C. Restricted Selling to Reduce City Staffing Costs:

Prior to the start of each season, LICENSEE and CITY shall agree in writing on the plan to be implemented by LICENSEE for selling tickets in a limited number of sections and in a specific sequence of sections, based on ticket demand and the Director's advice regarding how CITY's staffing costs can be minimized.



XV. INSURANCE & INDEMNIFICATION

A. LICENSEE's Liability Insurance:

1. Minimum Insurance Required.

LICENSEE shall obtain and maintain continuously throughout the Term of this Agreement, at its own expense, a policy or policies of insurance as enumerated below:

a) A policy of **Commercial General Liability Insurance**, written on an insurance industry standard occurrence form (CG 0001 or equivalent), including all the usual coverages known as:

- Premises/Operations Liability
- Products/Completed Operations
- Personal/Advertising Injury
- Contractual Liability
- Independent Contractors Liability
- Stop Gap or Employers Contingent Liability
- Liquor Liability/Host Liquor Liability
- Fire Damage Legal
- Per Event Aggregate
- Copyright/Trademark/Tradename infringement

Such policy(ies) must provide the following minimum limit:

Bodily Injury and Property Damage

\$ 2,000,000	General Aggregate
\$ 2,000,000	Products & Completed Operations Aggregate
\$ 1,000,000	Personal & Advertising Injury
\$ 1,000,000	Each Occurrence
\$ 100,000	Fire Damage

Any deductible or self-insured retention must be disclosed and is subject to approval by the CITY's Risk Manager. The cost of any claim payments falling within the deductible shall be the responsibility of LICENSEE.

b) A policy of **Business Automobile Liability**, including coverage for owned, non-owned, leased or hired vehicles written on an insurance industry standard form (CA 0001) or equivalent. Such policy(ies) must provide the following minimum limit:

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Bodily Injury and Property Damage

\$ 1,000,000 per accident

c) A policy of **Worker's Compensation** securing LICENSEE's liability for industrial injury to its employees in accordance with the provisions of Title 51 of the Revised Code of Washington; provided, that if LICENSEE is qualified as a self-insurer in accordance with Chapter 51.14 of the Revised Code of Washington, LICENSEE shall certify that qualification by a letter that is signed by a corporate officer of LICENSEE and is delivered to the CITY's Risk Manager setting forth the limits of any policy of self insurance covering its employees.

2. General Requirements for LICENSEE's Insurance.

a) The insurance to be provided pursuant to Subsection XV.A. 1.a hereof shall be endorsed to include The City of Seattle, its officers, elected officials, employees, agents and volunteers as additional insured; shall be primary as respects CITY, and any other insurance maintained by CITY shall be excess and not contributing insurance with LICENSEE's insurance; and provide that such insurance shall not be reduced or canceled without forty-five (45) days prior written notice to the CITY's Risk Manager.

b) All insurance policies required hereunder shall be subject to approval by CITY's Risk Manager as to company, form and coverage. All policies shall be issued by a company rated A--:VII or higher in the A.M. Best's Key Rating Guide and licensed to do business in the State of Washington or issued as a surplus line by a Washington surplus lines broker, and shall be primary to any other applicable insurance.

c) Any deductible or self-insured retention must be disclosed to, and shall be subject to approval by, CITY's Risk Manager. The cost of any claim payments falling within the deductible shall be the responsibility of LICENSEE or its contractor, as appropriate.

3. Evidence of Insurance. The following documents must be provided to the Director and the City's Risk Manager as evidence of insurance coverage secured and maintained by LICENSEE a) not less than ten (10) days prior to LICENSEE's first use of any of the Premises pursuant to this Agreement; and b) within seven (7) calendar days prior to the expiration or renewal date of each such policy; and c) within seven (7) days after LICENSEE's receipt of a written request therefor:

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- A copy of the policy's declarations pages, showing the Insuring Company, policy effective dates, limits of liability and the Schedule of Forms and Endorsements specifying all endorsements listed on the policy including any company-specific or manuscript endorsements.
- A copy of the endorsement naming The City of Seattle, its officers, elected officials, employees, agents and volunteers as an Additional Insured, showing the policy number, and signed by an authorized representative of the insurance company (whether on ISO Form CG 2026 or an equivalent form).
- A copy of an endorsement or policy provision stating that the coverages provided by such policy to the CITY or any named insured shall not be terminated, reduced or otherwise materially changed without providing at least forty-five (45) days prior written notice to the CITY of Seattle.
- For the Commercial General Liability insurance to be secured and maintained pursuant to Subsection XV.A.1 hereof, a copy of a "Separation of Insureds" or "Severability of Interests" clause indicating essentially that except with respect to the limits of insurance and any rights or duties specifically assigned to the first named insured, such insurance applies as if each named insured were the only named insured, and separately to each insured against whom claim is made or suit is brought.

4. Address for Delivery of Evidence of LICENSEE's Insurance.

The evidence specified in Subsection XV.A.3 hereof shall be delivered to the following addresses:

Seattle Center Director
The City of Seattle
305 Harrison Street
Seattle, WA 98109

City Risk Manager
Department of Executive
Administration
The City of Seattle
Suite 1715 Key Tower
700 Fifth Avenue
Seattle, WA 98104

or to such other addressee(s) or address(es) as may be specified by notice provided to LICENSEE.

5. Self-Insurance. In the event LICENSEE is self-insured for the Commercial General Liability and/or Business Automobile Liability insurance to be secured and maintained pursuant to Subsection XV.A hereof, LICENSEE may deliver, in lieu of the evidence required under Subsection XV.A.3 hereof with respect to that type of coverage (but at the same time the delivery of such evidence

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would otherwise be required hereunder) a letter signed by LICENSEE's risk manager or appropriate finance officer stating

a) the extent to which LICENSEE's self-insurance is actuarially funded;

b) what its then-current limits are; and

c) how LICENSEE would protect and defend the Additional Insureds in LICENSEE's self-insured layer. Such letter shall also include claims handling instructions in the event of a claim and a copy of any excess declaration pages to meet the requirements of this Agreement.

6. Subcontractors

LICENSEE shall include all subcontractors as insureds under its policies or shall furnish separate evidence of insurance as stated above for each subcontractor. All coverages for subcontractors shall be subject to all the requirements stated herein.

B. Assumption of Risk:

The placement and storage by LICENSEE of personal property on the Premises shall be the responsibility, and at the sole risk, of LICENSEE.

C. Adjustments of Claims:

LICENSEE shall provide for the prompt and efficient handling of all claims for bodily injury, property damage or theft arising out of the activities of LICENSEE under this Agreement. LICENSEE shall ensure that all such claims, whether processed by LICENSEE or LICENSEE's insurer, either directly or by means of an agent, will be handled by a person with a permanent office in the Seattle area.

D. Remedies upon Failure to Insure:

The Director shall notify LICENSEE whenever the Director has a reasonable belief that LICENSEE has failed to secure or maintain insurance as required by this Agreement. Notwithstanding any other provision of this Agreement, after its receipt of any such notice, LICENSEE shall not enter upon the Premises until LICENSEE has secured and is maintaining insurance as required by this Agreement.

E. Mutual Release and Waiver:

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Attachment 1 to Thunderbirds Hockey Ordinance



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For and in consideration of the execution of this Agreement, CITY and LICENSEE each hereby releases and relieves the other, and waives its claim of recovery from the other for loss or damage to owned or rented property arising out of or incident to fire, lightning and the perils to the extent covered under any extended coverage insurance policy or endorsement approved for use in the State of Washington, whether such loss or damage is due to negligence of either party or any agent or employee of either or any other person, unless an insurance policy secured by either party hereto pursuant to this Agreement or otherwise would become void upon the making of such release and waiver.

F. Indemnification:

1. LICENSEE to Indemnify CITY.

Except as provided in Subsection XV.F.3 hereof, LICENSEE shall indemnify and hold CITY harmless from any and all losses, claims, actions, and damages suffered by any person or entity by reason of or resulting from any negligent, reckless, or intentionally wrongful act or omission of LICENSEE or any of its officers, employees, players, agents, or invitees in connection with use or occupancy of the Premises, and from any grant of advertising rights or display of advertising in the Game Site; and if, as a consequence of any such act or omission, any suit or action is brought against CITY, LICENSEE, upon notice of the commencement thereof, shall defend the same at no cost and expense to CITY, and promptly satisfy any final judgment adverse to CITY; Provided, that in the event the Director determines that one or more principles of governmental or public law are involved, CITY retains the right to participate in such action. Nothing contained in this subsection shall be construed as requiring LICENSEE to indemnify CITY against liability for damages arising out of bodily injury to persons or damage to property caused by or resulting from the sole negligence of CITY or its officers, employees, agents, or invitees. The indemnification provided in this subsection shall survive the expiration or earlier termination of this Agreement.

2. CITY to Indemnify LICENSEE.

Except as provided in Subsection XV.F.3 hereof, CITY shall indemnify and hold LICENSEE harmless from any and all losses, claims, actions, and damages suffered by any person or entity by reason of or resulting from any negligent, reckless, or intentionally wrongful act or omission of CITY or any of its officers, employees, agents, or invitees in connection with use or occupancy of the Premises; and if, as a consequence of any such act or omission, any suit or action is brought against LICENSEE, CITY, upon notice of the commencement thereof, shall defend the same at no cost and expense to LICENSEE, and promptly satisfy any final judgment adverse to LICENSEE. Nothing contained in this subsection shall be construed as requiring CITY to indemnify LICENSEE against liability for damages arising out of bodily injury to persons or damage to property caused by or

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resulting from the sole negligence of LICENSEE or any of its officers, employees, players, agents, or invitees. The indemnification provided in this subsection shall survive the expiration or earlier termination of this Agreement.

G. Waiver of Immunity and Limitations on Liability Under Industrial Insurance Legislation.

LICENSEE waives, with respect to CITY only, LICENSEE's immunity and limitations on liability under any industrial insurance legislation, including but not limited to RCW Title 51, and acknowledges that this waiver of immunity and limitations on liability was expressly negotiated.

XVI. COMPLIANCE WITH LAW

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

A. Licenses:

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

B. Taxes:

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

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CLERK

shall not be deemed to be in default as long as LICENSEE, in good faith, is contesting the validity or amount of any such taxes.

C. Nondiscrimination in Employment:

LICENSEE shall comply with all applicable equal employment opportunity and nondiscrimination laws of the United States, the State of Washington, and City of Seattle, including the Seattle Municipal Code (SMC), notably SMC 20.44; and rules, regulations, orders, and directives of the associated administrative agencies and their officers.

D. Attendance and Safety Standards:

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

E. Enforcement:

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

XVII. CITY'S ACCESS TO PREMISES: INSPECTION, REPAIR, AND IMPROVEMENT OF PREMISES AND OTHER PROPERTY

A. Access to Premises:

LICENSEE shall provide CITY access to the Premises at all reasonable times to inspect the same and to make any repair, improvement, alteration or addition thereto or any property owned by or under the control of CITY, deemed necessary by the Director, but this right of access shall not impose on CITY any obligation to make any repair, alteration, addition, or improvement except as specifically provided herein.

B. Permitted Interference With LICENSEE's Operations:

In inspecting, and in making repairs, alterations, additions, and improvements, CITY may erect barricades and scaffolding in and outside of any Seattle Center facility, and may

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otherwise interfere with the conduct of LICENSEE's business and operations where such action is reasonably required by the nature of CITY's work; and such interference shall not be deemed to be a breach or default under this Agreement. CITY shall use its best efforts to minimize interference with access to and from the Premises and with LICENSEE's business and operations, in, on or from the Premises.

C. CITY's Retention and Use of Keys to Premises:

CITY shall have the right to use any and all means that the Director deems proper to obtain entry to the Premises for the purpose of inspection or in an emergency without liability to LICENSEE except for any failure to exercise due care for LICENSEE's property. Any entry to the Premises obtained by CITY by any reasonable means shall not be construed or be deemed, under any circumstances, to be a forcible or unlawful entry into, or a detainer of, the Premises, or a termination of LICENSEE's license to use and occupy the Premises or any portion thereof.

XVIII. NO NUISANCES OR OBJECTIONABLE ACTIVITY

A. Emission of Objectionable Noises, Fumes, etc.:

LICENSEE shall not permit any excessive or objectionable noise, odor, dust, vibration, or other similar substance or condition to remain on or be emitted from the Premises; shall not create any nuisance in or adjacent to the Premises; and shall not do anything on the Premises that will create a danger to life or limb, except such dangers as are the necessary result of hockey playing or practicing.

B. Designation and Enforcement of Alcohol-free Seating Areas:

LICENSEE shall select one or more areas in each Game Site within which no alcoholic beverages shall be sold or consumed, and identify such locations by Game Site, section number(s), row(s), and seat number(s), in a notice to the Director prior to the first pre-season Home Game in each season. Upon receipt of such notice, CITY shall endeavor to enforce such non-alcoholic beverage sale and consumption policy. LICENSEE shall also make a good faith effort to implement recommendations that may be made, from time to time, by the Alcohol Task Force with respect to Home Games.

XIX. NO SUBCONTRACTING, ASSIGNING, OR SALE

LICENSEE shall not subcontract, assign or otherwise transfer to another person or entity any of its rights or responsibilities under this Agreement without the Approval of the Director. No assignment of, or subcontract under, this Agreement, or sale or transfer of the Seattle Team of the WHL Seattle franchise, with or without the Director's consent, shall release or relieve LICENSEE of or from any of the obligations on LICENSEE's part to be kept and performed under this Agreement. Any such assignment, subcontract, sale or

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transfer shall be subject to all the terms and provisions of this Agreement. In the event of any assignment of this Agreement or the sale or other transfer of ownership interest in the Seattle Team or the WHL Seattle franchise, LICENSEE shall cause to be delivered to the Director, simultaneously with such assignment, sale, or transfer, an instrument, in writing, executed by the assignee, grantee, or transferee, in which the assignee, grantee, or transferee shall assume and commit to perform all of the terms and provisions of this Agreement on LICENSEE's part to be kept and performed including those that have not been fully performed previously.

XX. RELATIONSHIP WITH WHL

A. Warranty and Special Covenant:

LICENSEE hereby warrants to, and specially covenants with, CITY as follows:

1. LICENSEE is the owner and holder of a valid effective WHL franchise that permits and authorizes LICENSEE to operate a WHL hockey team in and from the Seattle Center; and
2. No rule, regulation, policy, constitution or bylaw (or any provision of any thereof) of the WHL prohibits, limits or affects in any manner or respect the right or power of LICENSEE to enter into, accept, or perform each and every one of the terms, commitments and provisions of this Agreement; and
3. This Agreement has been approved by the WHL.

B. LICENSEE Subject to WHL Rules and Regulations:

The activities of LICENSEE in owning and operating a hockey team in the WHL and in matters related to such activities and the obligations of the Seattle Team under this Agreement are subject to the constitution, bylaws, and rules and regulations of the WHL; provided, however, that nothing in such constitution, bylaws, rules and regulations shall relieve LICENSEE of its obligation to play its Home Games in the KeyArena and pay consideration to CITY therefor, all in accordance with this Agreement.

XXI. IMPROVEMENTS, ADDITIONS, AND ALTERATIONS TO PREMISES BY OR FOR LICENSEE

A. Approval of Plans and Specifications for Improvements, Alterations & Additions Required:

LICENSEE shall submit to the Director, for Approval, schematic designs, design development drawings, and final working drawings and specifications for the construction or installation on the Premises by or for LICENSEE of any and all improvements, additions,

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and alterations desired by LICENSEE for the operation of LICENSEE's business. No construction or installation of any such improvement, addition, or alteration on the Premises shall be started by or for LICENSEE until after the Director has Approved the same.

B. No Representation or Liability Created by Approval:

The Approval by the Director of LICENSEE's plans and specifications for improvements, alterations and additions to the Premises shall not constitute an opinion or representation by CITY as to their compliance with any law or ordinance or their adequacy for other than the Seattle Center Department's own purposes; and such Approval shall not create or form the basis of any liability on the part of CITY or any of its officers, employees, or agents for any injury or damage resulting from any inadequacy or error therein or any failure to comply with applicable laws or ordinances.

C. Work Inconsistent with Approved Plans and Specifications:

No improvement, alteration, or addition shall be constructed, placed, or erected on the Premises except in accordance with plans and specifications therefor and to which the Director has given Approval. Immediately following LICENSEE's receipt of notice by CITY of any material variation between the Approved plans and specifications and any improvement, addition, or alteration in, on, or being made to the Premises, LICENSEE shall either desist from occupation, use, and operation of such supplementary improvement, addition, or alteration and remove it from the Premises or ensure that it is made consistent with such Approved plans and specifications.

D. Extra Charges:

In the event any improvement, addition, or alteration made or desired to be made by LICENSEE requires or would require any change in any facility, utility or service provided by CITY, LICENSEE shall pay, as an additional charge, any costs incurred by CITY in making such change or otherwise in connection therewith.

E. Work Desired by LICENSEE At No Expense to CITY:

All improvements, addition, and alterations made to the Premises to convert the same to the condition desired by LICENSEE for the operation of its business shall be at no expense to CITY unless otherwise specifically agreed by the parties, in writing.

F. Improvements, Additions, and Alterations Become CITY Property:

All improvements, additions, and alterations made to the Premises by or for LICENSEE shall become the property of CITY upon the expiration or termination of the Term hereof, whichever is earlier, and shall remain in, and be surrendered with the Premises, as a part thereof at that time without molestation, disturbance, or injury. Trade

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fixtures and equipment of the LICENSEE shall remain the property of LICENSEE and may be removed by LICENSEE upon the expiration or earlier termination of the Term hereof.

G. Installation or Integration of Any Work of Visual Art On Premises:

1. Prohibition Against Installation or Integration of Any Work of Visual Art on Premises Without Director's Consent.

LICENSEE shall not, without the prior, express, written consent of the Director, install on or integrate into, or permit any other person or entity to install on or integrate into, any portion of the Premises any work of visual art. The Director's consent to the installation of any such art work may be granted, granted upon one or more conditions, or withheld in the Director's discretion.

2. Tenant's Indemnification of City Against Liability under Visual Artists Rights Act of 1990.

If the Director has not given consent to the installation or integration of any particular work of visual art on or into the Premises, LICENSEE shall protect, defend, and hold the City harmless from and against any and all claims, suits, actions or causes of action, damages and expenses (including attorneys' fees and costs) arising as a consequence of the installation or integration of that work of visual art on or into any portion of the Premises. This indemnification obligation shall exist regardless of whether the Director has knowledge of such installation or integration. The indemnification obligation of this Subsection shall survive the expiration or earlier termination of this Agreement.

XXII. DAMAGE AND DESTRUCTION

A. Notice:

LICENSEE shall submit a written notice to the Director regarding the circumstances of any damage or destruction to the Premises within forty-eight (48) hours after any such event.

B. Suspension of Obligation to Pay Fees and Charges in Event of Unusability of Game Site:

In the event that fire or other casualty not occasioned by any act or omission of LICENSEE destroys or damages the Game Site so extensively as to render it unusable for WHL hockey purposes, and LICENSEE has given notice thereof to CITY as provided in Subsection XXII.A, hereof, LICENSEE's obligation to pay fees and charges pursuant to Subsection IX.A, hereof, for the use of such Premises shall be suspended until such Premises are made usable for such purposes; but in the event that only a portion of such

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Premises is destroyed or damaged, but not to an extent that would prevent the playing and viewing of hockey, then the fees and charges payable pursuant to Subsection IX.A, hereof, shall be prorated, and LICENSEE shall pay only an amount that is proportionate to the extent of such Premises that remains usable for the purposes intended. In the event the Mercer Street Parking Garage, the First Avenue North Parking Garage, or the South KeyArena Parking Lot is destroyed or damaged to the extent that LICENSEE's vehicles cannot use the same for parking, and LICENSEE has given notice thereof to CITY as provided in Subsection XXII.A, hereof, then the parking permits or passes provided pursuant to Subsections XI.A, hereof, may be presented for use at any other Seattle Center parking facility other than the First Avenue North Garage on SuperSonic game days, or Lot 4.

C. Termination of Agreement Upon CITY's Determination Not to Rebuild Game Site:

In the event the KeyArena is destroyed by fire or other casualty during the period of time it is to be used as the Game Site hereunder, or such facility is damaged so extensively as to render it economically unusable for the playing, exhibition, and viewing of a Home Game, and CITY determines not to rebuild said facility, then LICENSEE'S obligation and right to use the Premises after the effective termination date and to pay fees and charges therefor or to provide CITY with benefits pursuant to Subsection IX.A.3 hereof after such termination date shall at once terminate, without any liability of CITY to LICENSEE.

D. Notice of Termination:

Any notice of termination pursuant to this section shall be provided within one hundred twenty (120) days after the occurrence of the damage or destruction and shall specify the effective date of such termination.

E. No Liability for Termination:

The CITY shall not be liable to LICENSEE for terminating this Agreement as provided in this Section.

F. LICENSEE's Damage of Premises:

Neither LICENSEE nor any of its officers, employees, contractors, agents or invitees shall damage or in any manner deface any portion of the Premises or cause or allow anything to be done whereby any portion of the Premises is defaced or damaged in any manner. LICENSEE shall take reasonable precautions to prevent persons admitted to the Premises from damaging or defacing the same. In the event that, during any period of LICENSEE's use thereof, any portion of the Premises is damaged or defaced by the act or omission of LICENSEE or any of its officers, employees, contractors or agents including but not limited to LICENSEE's failing to take reasonable precautions to prevent or avoid such damage or defacement, LICENSEE shall provide immediate notice to CITY of the fact of

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such damage or defacement, CITY shall repair or replace the damaged element of the Premises or arrange for its repair or replacement, and LICENSEE shall pay to CITY such sum as is necessary to restore that damaged portion of the Premises to the condition it had immediately prior to the occasioning of such damage or defacement, which sum shall be paid as provided in Subsection IX.B.4, hereof.

XXIII. SUSPENSION OF OBLIGATIONS (FORCE MAJEURE)

Whenever a party's performance of any obligation under this Agreement is prevented by an act of nature; war or war-like operation; civil commotion; riot; labor dispute including a strike, or walk-out; sabotage; or governmental regulation or control, performance of such affected obligation shall be suspended, but only for so long as such performance remains beyond the reasonable control of such party. In the event of a labor dispute, the party directly involved in the same shall make a good faith effort to ensure, through available legal means, that the playing of Home Games during the period of such dispute is not prevented or unreasonably delayed, but nothing herein shall require such party to waive or otherwise reduce its claims in such dispute.

XXIV. NOTICES

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

If to CITY:

Seattle Center Director
Seattle Center Department
The City of Seattle
305 Harrison Street
Seattle, WA 98109

If to LICENSEE:

Russ Farwell, President
THUNDERBIRD HOCKEY ENTERPRISES, LLC INC.
1813 - 130th Avenue NE, Suite 210
Bellevue, WA 98005

XXV. DEFAULT AND REMEDIES THEREFOR

A. Act of Default and Breach by LICENSEE:



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The following acts and omissions shall constitute a default and material breach of this Agreement by LICENSEE:

1. The failure to comply with all of the requirements of Section XV, hereof, regarding insurance; or
2. The abandonment or vacating of the Premises; or
3. The failure of LICENSEE to pay to CITY, in a timely manner, any amount due under this Agreement; or
4. The failure to perform or the violation of any other condition or covenant of this Agreement where such default or deficiency in performance was not remedied within a reasonable time after notice of such failure has been provided by CITY.

B. Notice to Cure:

In the event LICENSEE fails to perform any obligation under, or violates any provision of this Agreement, the Director shall notify LICENSEE of such failure or violation and, except where Section XV has been breached, shall provide LICENSEE with a reasonable period to correct, remedy or cease such failure or violation, which period shall not exceed ninety (90) days after the date of such notice; provided, however, that if the nature of LICENSEE's obligation is such that more than ninety (90) days are required for performance, then LICENSEE shall not be in default if LICENSEE commences performance within such ninety (90) day period and thereafter diligently prosecutes the same to completion.

C. CITY Rights Upon Default and Breach:

In the event LICENSEE fails to correct, remedy, or cease such failure or violation within the time specified in CITY's notice, CITY may thereafter terminate this Agreement without any further proceedings, re-enter the Premises, lease and license others to use said Premises and receive rent and license fees therefor as if this Agreement has not been made.

D. Default by CITY:

CITY shall not be in default of any obligation to perform under this Agreement unless CITY fails to perform such obligation within a reasonable time, which time shall not extend more than ninety (90) days after written notice by LICENSEE to CITY specifying the particular obligation that CITY has failed to perform; provided, however, that if the nature of CITY's obligation is such that more than ninety (90) days are required for performance, then CITY shall not be in default if CITY commences performance within such ninety (90) day period and thereafter diligently prosecutes the same to completion.

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E. Termination by Court Decree:

In the event that any court having jurisdiction renders a decision that has become final and that prevents the performance by CITY or LICENSEE of any of its obligations under this Agreement, either party may terminate this Agreement, without recourse, by providing notice of termination to the other party, specifying the effective date thereof, as of which date all rights and obligations hereunder (with the exception of any undischarged rights and obligations that accrued prior to the effective date of termination) shall terminate.

XXVI. SURRENDER OF PREMISES; HOLDING OVER

A. Surrender and Delivery:

1. Upon the expiration or termination of each use period identified in an endorsement notice provided pursuant to Section III, hereof, LICENSEE shall surrender and promptly deliver to the Director all keys LICENSEE, its officers, agents, and employees may have to the areas made available to LICENSEE for use pursuant to Subsection IV.A hereof.

2. Upon the expiration or termination of the Term hereof, LICENSEE shall surrender, and promptly deliver to the Director all keys LICENSEE, its officers, agents, and employees may have to the Premises made available to LICENSEE for use pursuant to Section IV hereof, as well as all Seattle Center parking passes or permits.

B. Removal of LICENSEE's Property:

1. Prior to the expiration of the use period identified in any endorsement notice issued pursuant to Section III, hereof, LICENSEE shall remove, at its sole expense, all of LICENSEE'S trade equipment and personal property located in any portion of the KeyArena described in Subsection IV.A, hereof.

2. Prior to the expiration of the Term of this Agreement or, in the event this Agreement is terminated, within seven (7) days after the termination date, LICENSEE shall remove, at its sole expense, all trade equipment and personal property owned and/or controlled by LICENSEE in the KeyArena.

3. In removing any trade equipment or personal property from the KeyArena, LICENSEE shall take due care to not unreasonably injure or damage the Premises. If any such damage or injury occurs, LICENSEE shall be liable to, and shall reimburse CITY for, the cost of making such repairs to the Premises as shall be necessary to restore the same to their condition as of the commencement date of the most recent use period identified in an endorsement notice issued pursuant to

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Section III, hereof, ordinary wear and tear, improvements, additions and alterations to the Premises approved by CITY excepted, which reimbursement shall be paid as provided in Subsection IX.B.4 hereof. Improvements, additions and alterations made or provided to the Premises by or on behalf of LICENSEE shall not be removed.

C. Storage of LICENSEE's Property:

If LICENSEE fails to remove trade equipment and other personal property owned by LICENSEE on or by the time specified in Subsections XXVI.A and B, hereof, CITY may, but shall not be required to, remove such material from the Premises and store the same, all at LICENSEE's expense; and in the event CITY removes or arranges for the storage of such material, LICENSEE shall reimburse CITY for all costs incurred in connection with such removal or storage, including any administrative costs, which reimbursement shall be paid as provided in Subsection IX.B.4 hereof.

D. Hold-over Use and Occupancy of Premises:

If LICENSEE holds over after the expiration or termination of this Agreement LICENSEE shall be bound by all of the provisions of this Agreement.

XXVII. DISPUTES RESOLUTION

If a dispute arises between the parties to this Agreement, the Director or the Director's designee and the President of the Seattle Team or said President's designee shall meet to address and resolve such dispute. Either party may schedule such a meeting by providing reasonable prior notice. If the above individuals are unable to resolve any such dispute, the parties shall engage an independent mediator or mediation service acceptable to both parties, and shall work in good faith to resolve such dispute through such mediation services. The cost of such mediation services shall be divided evenly among the parties. In the event any such dispute is not resolved through such mediation services, the parties remain free to resolve such disputes through such arbitration processes as they may agree upon or through other legal processes that may be available to them or either of them.

XXVIII. MISCELLANEOUS PROVISIONS

A. Captions:

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

B. Amendments:

No modification or amendment of the provisions of this Agreement shall be effective unless written and signed by an authorized representative of each of the parties hereto.



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C. Time of Essence:

Time is of the essence of this Agreement.

D. Remedies Cumulative:

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

E. No Waiver:

No action other than a written notice by one party to the other specifically stating that such notice has the effect of a waiver, shall constitute a waiver of any particular breach or default of such other party. No such notice shall waive LICENSEE's failure to fully comply with any other term, condition, or provision of this Agreement, irrespective of any knowledge any CITY officer, employee, or agent may have of any breach or default of, or noncompliance with, such other term, condition, or provision. No waiver of full performance by either party shall be construed, or operate, as a waiver of any subsequent default of any of the terms, covenants and conditions of this Agreement. The payment or acceptance of fees or charges for any period after a default shall not be deemed a waiver of any right or acceptance of defective performance.

F. Limited Effect of Approval by Director:

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

G. No Relationship:

In no event shall CITY be construed to be a partner, associate, or joint venture of LICENSEE, or any party associated with LICENSEE. LICENSEE is not an agent of CITY for any purpose whatsoever. LICENSEE shall not create any obligation or responsibility on behalf of CITY or bind CITY in any manner.

H. Power of CITY:

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

I. Binding Effect:

November 10, 2003



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

J. Specific Enforcement Available:

The obligations of the parties to this Agreement are unique in nature; this Agreement may be specifically enforced by either party.

K. Invalidity of Particular Provisions:

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

L. Applicable Law; Venue:

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

M. Entire Agreement:

This Agreement, as well as the various periodic use date endorsement notices issued by CITY, all of which, by this reference, are incorporated herein, constitute all of the covenants, promises, agreements, and conditions, either oral or written, between the parties regarding the terms and conditions of LICENSEE's use and occupancy of the KeyArena under this Agreement.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by having their authorized representatives affix their signatures in the spaces below:

**THUNDERBIRD
HOCKEY ENTERPRISES, LLC**

By: _____
Russ Farwell
President

THE CITY OF SEATTLE

By: _____
VIRGINIA ANDERSON
Seattle Center Director

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November 10, 2003

45

Attachment 1 to Thunderbirds Hockey Ordinance



STATE OF WASHINGTON)
) ss. (LICENSEE'S ACKNOWLEDGMENT)
COUNTY OF KING)

On this ___ day of _____, 200_, before me personally appeared Russ Farwell, to me known to be the President of the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument for said corporation.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

(Signature)

(Print or type name)

NOTARY PUBLIC in and for the State of Washington, residing at _____. My appointment expires _____.

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November 10, 2003

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Attachment 1 to Thunderbirds Hockey Ordinance



STATE OF WASHINGTON)
) ss: (CITY'S ACKNOWLEDGMENT)
COUNTY OF KING)

On this ___ day of _____, 200_, 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 Seattle Center Director, who executed the foregoing instrument, and acknowledge said instrument to be the free and voluntary act and deed of The City of Seattle, for the uses and purposes herein mentioned, and on oath stated that she is authorized to execute said instrument.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

(Signature)

(Print or type name)

NOTARY PUBLIC in and for the State of Washington, residing at _____. My appointment expires _____.

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November 10, 2003





City of Seattle

Gregory J. Nickels, Mayor

Office of the Mayor

November 17, 2003

Honorable Peter Steinbrueck
President
Seattle City Council
City Hall, 2nd Floor

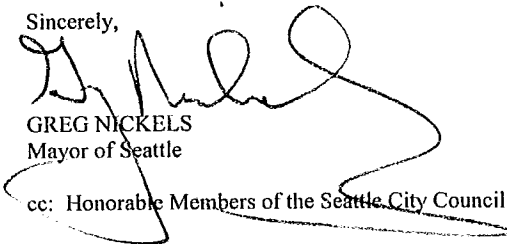
Dear Council President Steinbrueck:

Ordinance 119734 authorized an agreement between the City of Seattle and Thunderbird Hockey Enterprises, LLC, for the use of KeyArena for the 2002-2003 season. The attached proposed ordinance authorizes a four-year agreement with Thunderbird Hockey Enterprises, LLC for the home games of the Seattle Thunderbirds of the Western Hockey League (WHL) through the 2006-2007 season. Key changes from the previous Thunderbirds agreement include providing Seattle Center with more flexibility to schedule other events in KeyArena during the hockey season, and adding annual CPI adjustments to the minimum license fee after the first year.

The proposed agreement with the Thunderbirds is structured so that the minimum license fee and concession revenue cover Seattle Center's expenses, and provide some net revenue. Net revenue to the Seattle Center has averaged about \$50,000 over the last five seasons. Thunderbird home games also provide parking revenue for Seattle Center. The agreement also benefits the City by providing approximately \$100,000 annually in admissions tax and B&O tax revenue for the City's General Fund. Seattle Thunderbirds hockey provides 36 guaranteed dates in KeyArena and affordable entertainment for families and individuals, with tickets ranging from \$8 to \$18. In addition, the Thunderbirds have helped local youth hockey organizations to raise \$200,000 since the opening of KeyArena, and the annual hockey challenge event in KeyArena, which the Thunderbirds co-sponsor with corporate partners, has raised over two million dollars for construction of a new Ronald McDonald House for families with children under treatment for serious illnesses.

Thank you for your consideration of this legislation. Should you have questions, please contact Helen Welborn at 233-7884.

Sincerely,


GREG NICKELS
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

600 Fourth Avenue, 7th Floor, P.O. Box 94749, Seattle, WA 98124-4749

Tel: (206) 684-4000, TDD: (206) 684-8811 Fax: (206) 684-5360, E-mail: mayors.office@ci.seattle.wa.us

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FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	DOF Analyst/Phone:
Seattle Center	Ned Dunn, 684-7212 Helaine Honig, Law, 684-8222	Helen Welborn, 233-7884

Legislation Title:

AN ORDINANCE relating to the Seattle Center Department; authorizing execution of an agreement with Thunderbird Hockey Enterprises, LLC for Seattle Center Facility Use.

• **Summary of the Legislation:**

This legislation authorizes a four-year agreement with Thunderbird Hockey Enterprises, LLC for the use of KeyArena by the Seattle Thunderbirds of the Western Hockey League (WHL). There has been a WHL franchise in Seattle, playing home games at Seattle Center, since 1977. The Seattle Thunderbirds have played all of their home games in KeyArena since the building opened in October 1995. The key changes from the previous Thunderbirds agreement are as follows:

- The language regarding reserving game dates has been revised to give Seattle Center more flexibility to schedule other events in KeyArena during the hockey season.
- An annual CPI adjustment has been added to the minimum license fee after the first year (in previous agreements, the licensee fee has remained constant during the term of the agreement).
- Either party may terminate the agreement after two years, provided that one year's advance notice is required.
- The City's share of Thunderbirds gross ticket revenue is increased, so that in the event the Thunderbirds have a significant increase in attendance, the City will receive revenue above and beyond the minimum license fee. This change (from 10% of the first million dollars and 15% above one million dollars in the previous agreement to a flat 16.5% in the new agreement) brings the City closer to the threshold where the percentage of ticket revenue exceeds the minimum licensee fee.

The Agreement with the Thunderbirds is structured so that the minimum license fee and concession revenue cover Seattle Center expenses, and provide some net revenue. Net revenue to the Seattle Center fund has averaged about \$50,000 over the last five seasons. (Seattle Center expenses include the ushers and other admissions staff that work the games, cleaning of the building after the game, and turning over the building from a non-



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hockey set-up to a hockey set-up.) The basic financial consideration due to the City under this agreement is:

- Minimum license fee of \$300,440 for 38 games (36 regular season games and the first two home play-off games). Nearly all teams in the WHL qualify for the play-offs. In the eight years since moving into KeyArena, the Thunderbirds have had a minimum of 2 home play-off games and a maximum of eight in any one season.
- The City receives 32% of food and beverage concession revenue from the first 38 Thunderbird home games (the remaining 68% goes to the building concessionaire). If and when the City's 32% of food and beverage concession revenue from Thunderbird games equals \$300,000, the City will split any of its additional concession revenue 50/50 with the T-birds.
- For home play-off games after the first two, the license fee per game increases to \$13,000 and food and beverage concession revenue (the 32% described above) is split 90% City/10% T-birds.

The agreement also benefits the City by providing approximately \$100,000 annually in admissions tax and B&O tax revenue for the City's General Fund. Thunderbird home games also provide some parking revenue for Seattle Center. (Seattle Center parking revenue is not broken out by event.)

Seattle Thunderbirds hockey also provides:

- 36 guaranteed dates in KeyArena
 - variety in sporting events offered in KeyArena
 - affordable entertainment for families and individuals (tickets range from \$8 to \$18)
 - opportunities for young athletes (ages 16 to 20) to pursue their goals of a professional career and to be inspirations to kids in the Seattle area
 - employment for around 80 City employees per games, plus employees of the Thunderbirds and the food concessionaire
 - support to charitable organizations and youth sports.
- The Hockey Challenge co-sponsored by the Thunderbirds, in which celebrity and corporate hockey teams compete in games prior to Thunderbird home games over a two-day period, has raised over \$2 million for construction of a new Ronald McDonald House for families with children under treatment for serious illnesses.

- Last year the Thunderbirds, in collaboration with local skating clubs initiated the "Hope with a Heart" program to raise funds for Children's Hospital.
- The Thunderbirds have helped local youth hockey organizations to raise \$200,000 since the opening of KeyArena.
- **Background:** *(Include brief description of the purpose and context of legislation and include record of previous legislation and funding history, if applicable):*

The purpose of the proposed agreement is to set the terms and conditions for the use of KeyArena for Western Hockey League (WHL) games of the Seattle Thunderbirds. Hockey has been played at Seattle Center for all but about five years since the opening of the Civic Ice Arena (later known as the Mercer Arena) in 1928. As noted above, there has been a WHL team playing home games at Seattle Center since 1977. The WHL is one of three top-level "junior" leagues that comprise the Canadian Hockey League. Junior League players are age 16 to 20. The top junior players go on to the National Hockey League. WHL players are not paid, but receive stipends for living expenses and earn one year of college tuition for each season they play in the league. The WHL has 20 teams. Seattle plays in the U.S. Division with Portland, Spokane, Tri-Cities, and the new Everett franchise. The other 15 teams are from Canada. Outside of Vancouver and Calgary, Canadian WHL teams are based in small to mid-size cities, including such colorful names as Swift Current, Red Deer, and Moose Jaw.

In 1997, the City Council passed Ordinance 118733 authorizing a three-year agreement with the Thunderbirds through the 1999-2000 season. Ordinance 119734 in 1999 authorized an amendment to the 1997 agreement, which extended the agreement through the 2002-3 season. The proposed new agreement covers the 2003-4 season through the 2006-7 season. In accordance with the previous agreement, the Thunderbirds and Seattle Center have executed a letter agreement extending the terms of that agreement until it is superceded by a new agreement authorized by City Council.

Outside of key contract issues cited above, there were two things Seattle Center was seeking from the Thunderbirds before entering into negotiations on a new, multi-year agreement. The Thunderbirds have met both of these conditions:

1. Local Ownership – In 2002 a group of local investors purchased the Thunderbirds from the previous owner who lived and had his businesses in Canada. Seattle Center has believed that local, community based ownership was critical to the success of the Thunderbirds in this marketplace.
2. A comprehensive Business Plan – the new ownership group has developed a detailed business plan for the operation of the franchise and briefed Seattle Center on this plan earlier this year. The business plan includes mission and goals for the



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organization, and strategies for achieving those goals, including marketing, media relations and community relations plans.

- Please check one of the following:

This legislation does not have any financial implications. (Stop here and delete the remainder of this document prior to saving and printing.)

This legislation has financial implications. (Please complete all relevant sections that follow.)

Appropriations: (Please only reflect the dollar amount actually appropriated by this legislation.)

Fund Name and Number	Department	Budget Control Level*	2003 Appropriation	2004 Anticipated Appropriation
TOTAL			None	None

* This is line of business for operating budgets, and program or project for capital improvements

Notes:

Anticipated Revenue/Reimbursement (in 1,000's) Resulting From This Legislation:

Fund Name and Number	Department	Revenue Source	2003 Revenue	2004 Revenue
General Fund (00100)		Admission and B&O Tax	~\$100	~\$100
Seattle Center Fund (11410)	Seattle Center	Net Income from T-bird Games	~\$50	~\$50
TOTAL			~\$150	~\$150

Notes: See table below for breakout of Seattle Center Fund net income from T-bird games. The Seattle Center Fund expenses and revenues from Thunderbird games are included in Seattle Center's 2003 adopted and 2004 proposed budgets.

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Seattle Center Net Income from Thunderbirds Hockey Games

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Licensee Fee	290	290	300	300	310	320	330
Concession Revenue	277	236	254	260	260	260	270
Reimbursables	16	19	16	20	20	20	20
Total Revenue (38 games)	583	545	570	580	590	600	620
Total Expense (38 games)	529	541	537	540	550	560	570
Net Income for 38 Games	54	4	33	40	40	40	50
Additional Play-off Games	2	3	6	3	3	3	3
Net Income for Additional Play-off Games	8	8	23	10	10	10	10
Total Seattle Center Net Income	62	12	56	50	50	50	60

Note: "38 games" includes 36 regular season home games and the first two home play-off games. "Additional Play-off Games" represents home play-off games after the first two in any given season.

Total Regular Positions Created Or Abrogated Through This Legislation, Including FTE Impact:

Position Title and Department*	Fund Name	Fund Number	Part-Time/Full Time	2003 Positions	2003 FTE	2004 Positions**	2004 FTE**
None							
None							
TOTAL							

* List each position separately

** 2004 positions and FTE are total 2004 position changes resulting from this legislation, not incremental changes from 2003.

- **Do positions sunset in the future?** (If yes, identify sunset date):

Spending/Cash Flow: (Please complete this section only in those cases where part or all of the funds will be spent in a different year than when they were appropriated (e.g., as in the case of certain grants and capital projects.)



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Fund Name and Number	Department	Budget Control Level*	2003 Expenditures	2004 Anticipated Expenditures
TOTAL				

* This is line of business for operating budgets, and program or projects for capital improvements

Notes:

- **What is the financial cost of not implementing the legislation?** (Estimate the costs to the City of not implementing the legislation, including estimated costs to maintain or expand an existing facility or the cost avoidance due to replacement of an existing facility, potential conflicts with regulatory requirements, or other potential costs if the legislation is not implemented.)

The cost of not implementing the legislation is the loss of about \$100,000 of annual admissions and B&O tax revenue to the General Fund, an estimated loss of \$50,000 in net revenue to Seattle Center, and a loss of parking revenue to the Seattle Center Fund. If the agreement is not authorized and T-bird games are not played in KeyArena, the lost revenues would need to be generated from other events.

- **What are the possible alternatives to the legislation that could achieve the same or similar objectives?** (Include any potential alternatives to the proposed legislation, such as reducing fee-supported activities, identifying outside funding sources for fee-supported activities, etc.)

As noted above, the City revenues could potentially be generated from other events booked into KeyArena. There would be a trade-off between having more dates available to book one-time events, such as concerts, versus the guarantee of 36 hockey dates in the building. In this agreement, Seattle Center has obtained more ability to book one-time events during the hockey season while still maintaining the 36 guaranteed dates for hockey. If the Thunderbirds did not play in KeyArena, unless they developed a new arena, they would likely move to another city, and the Seattle area would no longer have a junior hockey team.

- **Is the legislation subject to public hearing requirements:** (If yes, what public hearings have been held to date, and/or what plans are in place to hold a public hearing(s) in the future.)

No

- **Other Issues** (including long-term implications of the legislation):



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STATE OF WASHINGTON - KING COUNTY

--SS.

166761
City of Seattle, Clerk's Office

No. TITLE ONLY ORDINANCES

Affidavit of Publication

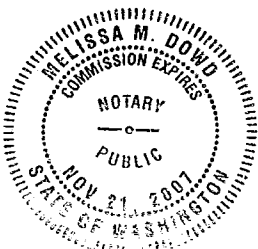
The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CTOR:ORD121373-121383

was published on

12/29/2003



Affidavit of Publication

[Signature]
Subscribed and sworn to before me on

12/29/2003

[Signature]
Notary public for the State of Washington,
residing in Seattle

State of Washington, King County

City of Seattle

TITLE-ONLY PUBLICATION

The full text of the following ordinances, passed by the City Council on December 15, 2003, and published here by title only, will be mailed, at no cost, on request for two months after this publication. For further information, contact the Seattle City Clerk at 684-8344.

ORDINANCE NO. 121383

AN ORDINANCE appropriating money to pay certain audited claims and ordering the payment thereof.

ORDINANCE NO. 121371

AN ORDINANCE relating to the Department of Parks and Recreation; authorizing acquisition of real property located at 700 Queen Anne Avenue North, in the Queen Anne Uptown Urban Center, for open space, park, and recreation purposes; and making an appropriation from the 2000 Parks Levy Fund for costs and expenses related to the acquisition, all by a three-fourths vote of the City Council.

ORDINANCE NO. 121382

AN ORDINANCE relating to certain real property commonly described as 4130 16th Avenue SW, legally described as Block 6 Lot 6 and 7 Sander's Second Addition to West Seattle, and located adjacent to the Department of Parks and Recreation's Westbridge Maintenance Facility; authorizing acquisition of such real property; authorizing the Superintendent of Parks and Recreation to execute such documents as may be necessary to acquire such property; and amending the 2003 Adopted Budget of the Department of Parks and Recreation by making an appropriation from the Cumulative Reserve Fund, all by a three-fourths (3/4) vote of the City Council.

ORDINANCE NO. 121380

AN ORDINANCE relating to the 2003 Fire Facilities and Emergency Response Levy Program, increasing appropriations to the Fleets and Facilities Department in the 2004 Budget; making a cash transfer from the Cumulative Reserve Subfund to the 2003 Fire Facilities Fund; creating and reclassifying positions; and authorizing the Fleets and Facilities Department to negotiate for the acquisition of real property; all by a three-fourths vote of the City Council.

ORDINANCE NO. 121374

AN ORDINANCE amending the 2003 Budget; changing appropriations to various departments from various funds in the 2003 Budget; all by a three-fourths vote of the City Council.

ORDINANCE NO. 121377

AN ORDINANCE relating to the Seattle Center Department; authorizing execution of an agreement with Thunderbird Hockey Enterprises, LLC for Seattle Center Facility Use.

ORDINANCE NO. 121376

AN ORDINANCE relating to real property located on Salmon Bay in the Ballard neighborhood of Seattle, King County, Washington; authorizing the acquisition of real property and acceptance of the deed; authorizing grant agreements with the Washington State Interagency Committee for Outdoor Recreation and the King Conservation District for acquisition and habitat restoration funding; authorizing acceptance of a donation; adding a project to the Capital Improvement Program for the Drainage and Wastewater Fund; and increasing the appropriation to Seattle Public Utilities in the 2003 Budget.

ORDINANCE NO. 121375

AN ORDINANCE relating to Conservation Futures Levy proceeds;

authorizing the Mayor to amend the Interlocal Cooperation agreement between the City of Seattle and King County that was authorized by City Ordinance 11-4978, and authorizing deposit of 2002 allocations from King County Conservation Futures Levy proceeds into the City's 2000 Parks Levy Fund.

ORDINANCE NO. 121374

AN ORDINANCE relating to the Department of Parks and Recreation;

authorizing acceptance of a donation of real property located on South Bradford Street in the North Rainier Urban Village neighborhood from the Seattle Parks Foundation for open space, park and recreation purposes; and authorizing acceptance of the deed.

ORDINANCE NO. 121373

AN ORDINANCE relating to Seattle Public Utilities; authorizing the Director to enter into a 60-Year Declining Block Water Supply

Agreement between The City Of Seattle and The Cascade Water Alliance;

Date of publication in the Seattle Daily Journal of Commerce, December 29, 2003.

1229(166701)

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