# AMENDED AND RESTATED

### **GROUND LEASE**

By and Among

# THE DISTRICT OF COLUMBIA

and

# DC STADIUM LLC

DATED AS OF July 2, 2015

AFDOCS/5941392.39

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- Exhibit C Participating Rent
- Exhibit D Real Estate Taxes
- <u>Exhibit E</u> First Source Employment Agreement
- Exhibit F Memorandum of Understanding
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- Exhibit I No-Relocation Agreement
- Exhibit J Bankruptcy Remote Entity
- Exhibit K Labor Peace Agreement

#### AMENDED AND RESTATED GROUND LEASE

THIS AMENDED AND RESTATED GROUND LEASE (this "<u>Lease</u>") is duly made and entered into as of the 2nd day of July, 2015, by and among (i) the DISTRICT OF COLUMBIA, a municipal corporation, acting by and through the Department of General Services, ("<u>District</u>"), and (ii) DC STADIUM LLC, a Delaware limited liability company ("<u>Lessee</u>").

#### **RECITALS:**

A. Lessee has offered to lease from the District certain real property described in <u>Exhibit A-1</u> hereto (the "<u>Stadium Land</u>"), and <u>Exhibit A-2</u> hereto (the "<u>Adjacent Land</u>", and together with the Stadium Land, the "<u>Land</u>"), and to redevelop the same for and in accordance with the uses specified in this Lease and that certain Amended and Restated Development Agreement between the District and Lessee dated as of the same date as this Lease (the "<u>Development Agreement</u>").

B. Lessee intends to (i) construct a new, state-of-the-art, LEED certified stadium, as more fully described in the Development Agreement, on the Stadium Land (the "<u>Stadium</u>"), and (ii) redevelop the Adjacent Land for other uses permitted under applicable law (the "<u>Adjacent Improvements</u>").

C. The District believes that it is in the best interests of the District and its residents for the Stadium and the Adjacent Improvements to be constructed on the Land.

D. Following the Effective Date (as hereinafter defined), the District intends to acquire fee title to the Land.

E. The District desires to lease to Lessee, and Lessee desires to lease from the District, the Land.

F. The parties wish to set forth the terms and conditions on which, once the District has acquired fee title to the Land, the District will lease to Lessee, and Lessee will lease from the District, the Stadium Land, upon which Lessee will construct, own and operate the Stadium, and the Adjacent Land, upon which Lessee will construct, own and operate the Adjacent Improvements, in accordance with the Development Agreement and this Lease, as applicable.

G. DC Soccer LLC, a Delaware limited liability company (together with its successors and assigns, the "<u>Team Operator</u>"), is an Affiliate of Lessee and is the holder of a right to operate the DC United professional soccer team ("<u>DC United</u>") pursuant to the MLS Operating Agreement. Lessee will cause the Team Operator to enter into a covenant agreement in favor of the District pursuant to which the Team Operator will (i) commit DC United to play substantially all of its home Games (as hereinafter defined) at the Stadium, (ii) commit DC United to maintain its principal offices within the District of Columbia, and (iii) use reasonable efforts to locate DC United's practice field and any related facilities in the District of Columbia, in each case, for a term

concurrent with the Term (as hereinafter defined) of this Lease (the "<u>No-Relocation Agreement</u>") pursuant to an agreement in the form attached hereto as <u>Exhibit I</u>.

H. The Parties have previously entered into a ground lease, dated as of May 23, 2014 (the "Original Lease"), that was submitted to the Council of the District of Columbia ("Council") and now wish to wish to amend and restate the Original Lease in its entirety so as to incorporate the changes required by Sections 104 and 203(b) of the Stadium Act.

I. Following its execution by the Parties, this Lease shall be transmitted by the District to the Council not fewer than thirty (30) days before the Effective Date (as hereinafter defined) of this Lease as provided in Section 104(a)(1) of the Stadium Act.

NOW, THEREFORE, in consideration of the premises, terms, conditions and agreements contained herein, the parties hereby agree as follows:

### ARTICLE 1

### **RECITALS AND DEFINITIONS**

1.1 <u>Recitals</u>. The recitals set forth above are hereby incorporated as if set forth herein in their entirety.

1.2 <u>Definitions</u>. As used in this Lease and unless otherwise expressly indicated, the following terms shall have the following meanings:

"Additional Rent" shall have the meaning given in Section 6.3.

"Adjacent Improvements" shall have the meaning set forth in Recital "B".

"Adjacent Land" shall have the meaning set forth in Recital "A".

"Adjacent Land FMV" shall have the meaning set forth in Section 6.5.

"Adjacent Land Rent" shall have the meaning set forth in Section 6.5.

"<u>Affiliate(s)</u>" shall mean as to any named individual or entity: (a) any individual or entity directly or indirectly owning, controlling or holding with power to vote fifty percent (50%) or more of the outstanding voting interests of such named entity; (b) any entity fifty percent (50%) or more of whose outstanding voting interests are, directly or indirectly, owned, controlled or held with power to vote by such named individual or entity; or (c) any entity or individual directly or indirectly through one or more intermediate persons or entities controlling, controlled by or under common control with (using ownership of fifty percent (50%) or more of outstanding voting interests or actual control pursuant to contract or otherwise as a test for determining control with respect to an entity) such named individual or entity.

"Annual Base Rent" shall have the meaning set forth in Section 6.1.

"Anti-Deficiency Act" shall have the meaning set forth in Section 28.27(a).

"<u>Anti-Terrorism Order</u>" has the meaning set forth in the definition of "Disqualified Person."

"Bankruptcy Remote Entity" shall have the meaning set forth in Exhibit J.

"<u>Box Seats</u>" shall mean any box spectator seats constructed as part of the Stadium and designated as Box Seats by Lessee from time to time.

"<u>Business Day</u>" shall mean Monday through Friday, inclusive, other than (a) holidays recognized by the District or the federal government and (b) days on which the District or federal government closes for business as a result of severe inclement weather or a declared national emergency which is given legal effect in the District. If any item must be accomplished or delivered or paid under this Lease on a day that is not a Business Day, then it shall be deemed to have been timely accomplished, delivered or paid if accomplished, delivered or paid on the next following Business Day. Any time period that ends on other than a Business Day shall be deemed to have been extended to the next Business Day.

"<u>CBE</u>" shall have the meaning set forth in the CBE Act for the term "Certified Business Enterprise".

"CBE Act" shall have the meaning set forth in Article 20.

"Certificate of Completion" shall have the meaning set forth in Section 4.3.

"<u>Clubs</u>" shall mean the professional soccer clubs that play in the League, whether existing as of the Effective Date or admitted to the League during the Term.

"<u>Completion Date</u>" shall mean the date of Substantial Completion of the Stadium as set forth in the Certificate of Completion, unless otherwise specified herein.

"<u>Concessionaires</u>" shall mean the Person or Persons who contract with Lessee to operate concessions at the Stadium, which operation shall include (i) the right to sell and otherwise provide food, beverages, merchandise, novelties, souvenirs and other goods and services in the Stadium and on the Stadium Land, including such sales to the public from the general seating concession areas, and (ii) the right to sell and otherwise provide food, beverage and other goods and services from the areas of the Stadium used and operated as restaurant and catering facilities to patrons of such Stadium restaurants, persons occupying the Premier Seating and such other persons within the Stadium and on the Stadium Land as may be designated by Lessee.

"<u>Condemnation</u>" shall mean any taking of property by exercise or threat of exercise of the power of eminent domain, whether by formal condemnation proceedings or by purchase, lease or other agreement under threat of exercise of the power of eminent domain proceedings.

"Consultation Area" shall have the meaning set forth in Section 3.2(h).

"Council" shall have the meaning set forth in Recital "H."

"D.C. ADA" shall have the meaning set forth in Section 28.27(a).

"DC United" shall have the meaning set forth in Recital "G."

"Development Agreement" shall have the meaning set forth in Recital "A."

"Development Cost Cap" shall have the meaning given that term in the Development Agreement.

"Disqualified Person" shall mean any of the following Persons:

(a) Any Person (or any Person whose operations are directed or controlled by a Person) who has been convicted of or has pleaded guilty in a criminal proceeding for a felony under any local, state, or federal criminal statute; or

(b) Any Person organized in or controlled from a country, the effects of the activities with respect to which are regulated or controlled pursuant to the following United States laws and the regulations or executive orders promulgated thereunder: (x) the Trading with the Enemy Act of 1917, 50 U.S.C. App. §1, *et seq.*, as amended (which countries are, as of the date hereof, North Korea and Cuba); (y) the International Emergency Economic Powers Act of 1976, 50 U.S.C. §1701, et seq., as amended; and (z) the Anti-Terrorism and Arms Export Amendments Act of 1989, codified at Section 6(j) of the Export Administration Act of 1979, 50 U.S.C. App. § 2405(j), as amended (which countries are, as of the date hereof, Iran, Sudan and Syria); or

(c) Any Person who has been identified by the United States Department of the Treasury or the United States Secretary of State as a person engaged in any dealings or transactions (i) in contravention of the applicable money laundering laws or regulations or conventions or (ii) in contravention of Executive Order No. 13224 dated September 24, 2001 issued by the President of the United States (Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, the "Anti-Terrorism Order"), as may be amended or supplemented from time-to-time or any published terrorist or watch list that may exist from time to time.

(d) Any Person with whom the conduct of business is precluded because they are on the list maintained by the U.S. Treasury Department's Office of Foreign Assets Control located at 31 C.F.R., Chapter V, Appendix A or because they are described in Section 1 of the Anti-Terrorism Order.

(e) Any Person identified on a list of contractors that have been debarred by the District or the federal government or with whom the District is prohibited from doing business by District law.

(f) Any Affiliate of Lessee.

(g) Any Person known by Lessee to be an Affiliate of any of the Persons described in paragraphs (a) through (e) above.

"District" shall have the meaning set forth in the initial paragraph of this Lease.

"<u>District Agreements</u>" shall mean collectively the Employment Agreement and the Memorandum of Understanding.

"District Default" shall have the meaning set forth in Section 13.3.

"Effective Date" shall have the meaning set forth in Section 28.14.

"Employment Agreement" shall have the meaning set forth in Article 20.

"Environmental Law(s)" shall mean each and every law, statute, ordinance, regulation, rule, judicial or administrative order or decree, permit, license, approval, authorization and similar requirement of each and every federal and District governmental agency or other governmental authority relating to any Hazardous Substances, including the Clean Water Act, the Clean Air Act, the Toxic Substances Control Act, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Hazardous Materials Transportation Act, the Resource Conservation and Recovery Act, the Hazardous Substances Account Act, the Hazardous Substances Act, the Underground Storage Tank Act of 1984, and the District of Columbia Underground Storage Tank Management Act of 1990 (District of Columbia Code, Section 8-113.01 et. seq.).

"Event of Non-compliance" shall mean either (i) a failure to meet the job notice and periodic reporting requirements contained in the Employment Agreement for a (continuous) period of thirty (30) days after written notice, or (ii) a failure to meet the requirements of the Memorandum of Understanding, which failure has continued beyond any applicable written notice and cure period; provided that there shall not be an Event of Non-Compliance if the District does not declare the existence of such Event of Non-Compliance within one (1) year of the occurrence of such event. Nothing in this Lease shall impair, restrict or limit any rights or remedies that the District of Columbia Department of Employment Services may have against Lessee under the Employment Agreement in the event of a breach thereof or that the District of Columbia Department of Small and Local Business Development may have against Lessee under the Memorandum of Understanding in the event of a breach thereof.

"Federal ADA" shall have the meaning set forth in Section 28.27(a).

"<u>Field Level Seats</u>" shall mean spectator seats to be located on the soccer field constructed as part of the Stadium and designated as Field Level Seats by Lessee from time to time.

"First Source Act" shall have the meaning set forth in Article 20.

"<u>GAAP</u>" shall mean generally accepted accounting principles in the United States of America in effect from time to time, as reasonably interpreted by Lessee's certified public accountants.

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"<u>Game(s)</u>" shall mean soccer games played by DC United for which DC United has been designated by MLS as the "home team" during each Soccer Season, including regular season games, play-off games, "Open Cup Games," "MLS Cup Games," "Local Exhibition Games," "Home Exhibition Games" (as each of those terms is used in the Rules and Regulations), and any other event held at the Stadium (including any "MLS All Star Game" held at the Stadium) in which more than one DC United professional soccer players participate as part of their professional responsibilities to DC United; but shall exclude any (i) isolated games which the MLS directs be played at a location other than the Stadium and (ii) exhibition games which DC United elects, in its sole discretion, to play at a location other than the Stadium.

"Game Day Costs" shall have the meaning set forth in Section 3.2(d).

"Game Day Experience" shall have the meaning set forth in Section 7.1.

"Hazardous Substance(s)" shall mean any substance, material, condition, mixture or waste which is now or hereafter (1) defined as a "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste." "restricted hazardous waste," "oil," "pollutant" or "contaminant" under any provision of District of Columbia, federal or other applicable law; (2) classified as radioactive material; (3) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act. 33 U.S.C. Section 1251 et seq. (33 U.S.C. Section 1321) or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. Section 1317); (4) defined as a "hazardous waste" pursuant to the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq. (42 U.S.C. Section 6903); (5) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq. (42 U.S.C. Section 9601); (6) determined to be a "hazardous chemical substance or mixture" pursuant to the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq. (15 U.S.C. Section 2605); (7) identified for remediation, storage, containment, removal, disposal or treatment in any District plan for the Stadium Land; or (8) determined by District or federal authorities to pose or be capable of posing a risk of injury to human health, safety or property (such substances to include petroleum and petroleum byproducts, asbestos, polychlorinated biphenyls, polynuclear aromatic hydrocarbons, cyanide, lead, mercury, acetone, styrene, and "hazardous air pollutants" listed pursuant to the Clean Air Act, 42 U.S.C. Section 7412).

"Initial Term" shall have the meaning set forth in Section 5.1.

"Interest Rate" shall mean the interest rate equal to two percent (2%) per annum above the rate of interest per annum then published or otherwise publicly announced by Bank of America, a national banking association, or its successors as its prime rate (the "Base Rate"), but in no event exceeding the maximum legal rate permitted to be charged to the party obligated to pay such interest, the Interest Rate changing as and when the Base Rate changes; provided, however, that if any Obligation to which the Interest Rate applies remains unpaid after one hundred eighty (180) days, then, for periods commencing on the one hundred eighty-first (181st) day that said Obligation remains unpaid, five percent (5%) shall be substituted for two percent (2%) in applying the foregoing formula to calculate the Interest Rate on such Obligation.

"Labor Peace Agreement" shall have the meaning set forth in Section 28.15.

"Land" shall have the meaning set forth in Recital "A".

"<u>League</u>" means the Division 1 Outdoor Professional Soccer League organized and promoted in North America as Major League Soccer by MLS.

"Lease" shall have the meaning set forth in the initial paragraph of this Lease.

"Lessee" shall have the meaning set forth in the initial paragraph of this Lease.

"Lessee Advance" shall have the meaning set forth in Section 13.4(b).

"Lessee Default" shall have the meaning set forth in Section 13.1.

"Lessee's Property" shall have the meaning set forth in Section 14.2.

"<u>Luxury Suites</u>" shall mean enclosed, privately accessed suites to be constructed as part of the Stadium.

"<u>Memorandum of Understanding</u>" (also called a CBE Utilization Agreement) shall have the meaning set forth in Article 20.

"<u>MLS</u>" shall mean Major League Soccer LLC, a Delaware limited liability company having its principal place of business at 420 Fifth Avenue, 7<sup>th</sup> Floor, New York City, NY 20018, and its successors and assigns.

"<u>MLS Operating Agreement.</u>" the Operating Agreement between MLS and the Team Operator, as amended from time to time.

"No-Relocation Agreement" shall have the meaning set forth in Recital "G."

"Notice of Extension" shall have the meaning set forth in Section 5.2(a).

"<u>Obligations</u>" shall mean and include, of any party to this Lease, any and all of such party's obligations and/or liabilities of every kind, nature and description, direct or indirect, secured or unsecured, joint, several, joint and several, absolute or contingent, due or to become due, now or hereafter existing or arising, regardless of how such obligations or liabilities arise or by what agreement or instrument they may be evidenced or whether evidenced by any agreement or instrument, including any and all of such party's obligations and/or liabilities under this Lease or under any other agreement to which Lessee is a party and District is a party regardless of whether the obligation is to perform acts or refrain from taking any action.

"Ongoing Obligations" shall have the meaning set forth in Section 3.2.

"Participating Rent" shall have the meaning set forth in Section 6.2.

"<u>Permitted Encumbrances</u>" shall have the meaning given that term in the Development Agreement.

"<u>Person</u>" shall mean an individual, general or limited partnership, limited liability partnership or company, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture or any other entity, the District, the United States, or any federal, state or political subdivision thereof or any agency or court of any such federal, state or political subdivision.

"<u>Possession Date</u>" shall be the Business Day following the date upon which the District acquires title to all parcels comprising the Land, unless a later date is agreed by the Lessee in writing.

"Premier Seating" shall mean the Luxury Suites, the Box Seats and the Field Level Seats, collectively.

"<u>Promotional Rights</u>" means and includes any and all of the following rights as applied to, arising out of or connected in any way with the MLS Operating Agreement, Major League Soccer, DC United, the Proprietary Indicia or the Stadium, subject, however, to the limitations set forth in Section 23.8:

(a) the right to sell or license naming rights for any of the Premier Seating;

(b) rights of exploitation, in any format now known or later developed, through advertising, promotions, marketing, merchandising, licensing, franchising, sponsorship, publications, hospitality events or through any other type of commercial or promotional means, including but not limited to advertising by interior, exterior or perimeter signage, through printed matter such as programs, posters, letterhead, press releases, newsletters, tickets, photographs, franchising, concessions, displays, sampling, premiums and selling rights of any nature, the right to organize and conduct promotional competitions, to give prizes, awards, giveaways, and to conscript official music, video or other related data or information;

(c) media rights, in any format now known or later developed, including but not limited to the right to broadcast, transmit, display and record images and recordings, in any and all media now known or hereafter devised, including but not limited to radio, television, cable satellite and internet;

(d) rights to name the Stadium or any portion of it;

(e) rights to create, use, promote and commercialize any representation of the Stadium, in whole or in part, or the name or contents thereof, for licensing, promotional, publicity, general advertising and other suitable purposes, including but not limited to the creation, use promotion and commercialization of text, data, images, photographs, illustrations, animation and graphics, video or audio segments of any nature, in any media or embodiment, now known or later developed; and

(f) all other rights of marketing and advertising exploitation, in any format now known or later developed, and associated promotional opportunities.

"<u>Property Damage</u>" shall mean any partial or total damage or destruction of the Stadium caused by fire or other occurrence.

"<u>Proprietary Indicia</u>" means all trademarks, service marks, trade names, trade dress, domain names, symbols, logos or brand names, together with any other copyrighted or copyrightable properties, in any format now known or later developed, that are or become owned or controlled by the Team Operator or its Affiliates or of MLS or any Affiliate of MLS, which are or become commercially identified or associated with the Team Operator or its Affiliates or MLS or any Affiliate of MLS, or are now or hereafter licensed by or to the Team Operator or its Affiliates or MLS or any Affiliate of MLS.

"<u>Public Charges</u>" shall mean all taxes, water rents and other public charges which are levied, assessed or imposed by the District or any other public authority against the Stadium Land, the Adjacent Land, the Adjacent Improvements and/or the Stadium on or after the Effective Date; explicitly excluding (i) Real Estate Taxes, (ii) sales taxes; and (iii) any other rent, tax or charge which is required to be waived or paid by the District pursuant to the terms of this Lease or the Development Agreement.

"Real Estate Tax Phase In" shall have the meaning set forth in Section 11.3.

"<u>Real Estate Taxes</u>" shall mean real estate taxes, possessory interest taxes, assessments and other governmental levies and charges, including those taxes levied under the District of Columbia Code Sections 47-801 <u>et seq</u>. and 47-1005.01, and vault fees, charges and/or taxes, general and special, ordinary and extraordinary, of any kind or nature, lawfully levied or assessed by District, upon or with respect to the Stadium or Stadium Land and any and all other improvements hereafter constituting a part of the Stadium, any tax on Lessee's rights hereunder in the nature of a leasehold or possessory interest tax, even if levied directly against Lessee rather than against the Stadium and/or the Stadium Land and whether or not secured by a lien on any of the foregoing property or any taxes in lieu thereof, and service payments and other payments in lieu of any of the foregoing.

"<u>Renewal Term</u>" shall have the meaning set forth in Section 5.2(a).

"Rent" shall have the meaning set forth in Section 6.1.

"<u>Rent Commencement Date</u>" shall mean the date upon which Lessee receives the Certificate of Completion.

"<u>Rent Year</u>" shall mean each calendar year during the Term (excluding the time period prior to the Rent Commencement Date), with the first Rent Year commencing on the Rent Commencement Date and ending on December 31 of such calendar year and with the final Rent Year of the Term ending on the last day of the Term.

"<u>Rent Years</u>" means more than one (1) Rent Year.

"<u>Rules and Regulations</u>" shall mean the following governing documents and agreements, in each case, as they exist as of the date hereof and as they may be adopted, supplemented, amended or modified from time to time:

(a) MLS Operating Agreement;

(b) The Fourth Amended and Restated Operating Agreement of Soccer United Marketing, LLC, a Delaware limited liability company, dated as of January 3, 2012, as amended from time to time;

(c) The Fifth Amended and Restated Limited Liability Company Agreement of MLS dated as of January 3, 2012, as amended from time to time;

(d) any other agreement between the Team Operator and MLS (or either entity comprising MLS), as amended from time to time;

(e) any agreement entered into by MLS (or either entity comprising MLS) on behalf of the League or its Clubs, as amended from time to time;

(f) any other organizational agreements of MLS or any of its Affiliates (including Soccer United Marketing, LLC);

(g) any collective bargaining agreement to which MLS is bound, as amended from time to time; and

(h) other present and future MLS constitution, operations manual, club commercial guidelines, broadcast manual, reserve league manual, design guide, supporter relations guide, rulings, orders, rules, regulations, bulletins, directives and policies of MLS (or either entity comprising MLS), or of any Affiliate of MLS (including Soccer United Marketing, LLC) or of the Commissioner of MLS.

"<u>Season</u>" shall mean a period of time coextensive with the MLS season as established from time to time under the Rules and Regulations.

"Stadium" shall have the meaning given in Recital "B."

"Stadium Act" shall mean the District of Columbia Soccer Stadium Development Act of 2014, D.C. Law 20-233, effective March 11, 2015, as amended.

"<u>Stadium Advertiser</u>" shall mean a Person whose identity; services or products are the subject of advertising in the Stadium, including their respective successors and assigns.

"<u>Stadium Event(s)</u>" shall mean all sporting, entertainment or other activities held at the Stadium, including all Games.

"Stadium Land" shall have the meaning set forth in Recital "A."

"<u>Stadium Parking</u>" shall mean the parking spaces located on or within any garage improvements on the Stadium Land.

"Substantial Completion" or "Substantially Completed" shall have the meaning given that term in Section 8.9 of the Development Agreement.

"Team Licensee" shall have the meaning set forth in Section 25.3.

"Team Operator" shall have the meaning set forth in Recital "G".

"<u>Term</u>" shall mean, collectively, the Initial Term of this Lease as set forth in Section 5.1 and any Renewal Term by which this Lease is extended pursuant to Section 5.2.

"Unavoidable Delay" shall mean an actual delay in the performance of any party's obligations hereunder by reason of (a) any reason beyond the reasonable control of the applicable party, including, without limitation, acts of God, unusually severe weather, flood, earthquake, fire, epidemic, riot, civil disobedience, acts of terrorism, strikes, lock-outs, labor interruptions, sabotage, withdrawal or suspension of or a failure by the District to timely issue as a result of appeals or lawsuits any permits or licenses or other legal entitlements and closure of the District or federal government, and as to the Lessee, any failure of the District to comply with any of its material obligations under this Lease, in each case only to the extent the event in question is beyond the reasonable control of and without the fault or negligence of the party claiming Unavoidable Delay (or their employees and agents); or (b) the discovery of any unknown archaeological condition or other cultural artifact, relic, remain or object of antiquity existing on the Land which are (i) subsurface or otherwise concealed, unknown physical conditions and (ii) of an unusual nature which differ materially from those ordinarily found to exist in the vicinity of the Stadium Land and generally recognized as inherent in construction activities of the character provided for in the construction contract for the Stadium; provided, however, that each such issue could not reasonably have been identified through the tests, studies and investigations of the Stadium Land that a reasonable and prudent developer of a development comparable to the Stadium in size and scope, would have undertaken in such circumstances. It is the purpose and intent of this provision that in the event of the occurrence of any such Unavoidable Delay event. the time or times for performance of the obligations of the District or of Lessee shall be equitably adjusted for the period of the Unavoidable Delay or such greater period as may be reasonable; provided, however, that (1) the party seeking the benefit of this relief shall, within fifteen (15) days after it actually becomes aware of any such Unavoidable Delay event has commenced, notifies the other party in writing of such event and the cause or causes thereof and, once determined, reasonably estimates the delay occasioned by reason of such alleged Unavoidable Delay, and (2) the party seeking the delay must use Best Commercially Reasonable Business Efforts, in the case of Lessee, or reasonable efforts, in the case of the District, to minimize the delay. If any party to this Lease claims any extension of the date of completion of any obligation hereunder due to an Unavoidable Delay, it shall be the responsibility of such party to reasonably demonstrate that the Unavoidable Delay is a proximate cause of the delay.

"<u>WMATA</u>" shall mean the Washington Metropolitan Area Transit Authority and any successor.

1.3 <u>Accounting Terms</u>. Any accounting term used in this Lease shall have, unless otherwise specifically provided herein, the meaning customarily given in accordance with GAAP, and all financial computations hereunder shall be computed, unless otherwise specifically provided herein, in accordance with GAAP.

1.4 <u>Terms Defined in Exhibits</u>. Terms defined in Exhibits to this Lease and used in the main body of this Lease shall have the meaning given such terms in the applicable Exhibit.

#### ARTICLE 2

#### **GRANTING OF THE LAND**

From and after the Possession Date, for the Term, at the Rent and upon the terms, conditions and provisions contained in this Lease, the District hereby leases to Lessee, and Lessee hereby leases from the District, the Land and all rights, privileges, easements and appurtenances thereunto belonging. Possession of the Land shall, subject to the terms of this Lease and, until the Rent Commencement Date, the Development Agreement, vest in Lessee as of the Possession Date. Promptly after the occurrence of the Possession Date, the parties to this Lease shall file a Memorandum of Lease as to this Lease, specifying among other things, the date which is the last day of the Initial Term and, upon the first day of each Renewal Term, a supplemental memorandum, with the Recorder of Deeds for recordation among the land records of the District of Columbia. The District shall waive all recordation and transfer taxes (and any similar taxes) associated with such recordation, or shall pay the same (such expense not subject to the Development Cost Cap).

### ARTICLE 3

# CERTAIN DISTRICT REPRESENTATIONS; DISTRICT'S ONGOING OBLIGATIONS AND RESPONSIBILITIES; NO RELOCATION AGREEMENT

3.1 <u>Certain District Representations</u>. The District represents and warrants, as of the Possession Date, that:

(a) The District has acquired fee title to the Land in accordance with the Development Agreement, subject only to Permitted Encumbrances for those portions of the Land acquired other than through the exercise of eminent domain, which property acquired by eminent domain is free and clear of Permitted Encumbrances; and

(b) Timely publication has been made in the D.C. Register of all notices required under District law in connection with the District's acquisition of the Land.

3.2 <u>Ongoing Obligations of the District</u>. District hereby covenants to perform and satisfy, or cause to be performed and satisfied, each of the following matters set forth in this Section 3.2 (the "<u>Ongoing Obligations</u>"):

(a) The District shall provide Lessee with a dedicated liaison to assist with all aspects of obtaining required approvals from any District agencies (i) in connection with the

maintenance and operation of the Stadium for a period of three (3) years from the Completion Date; and (ii) in connection with the construction, maintenance and operation of any Adjacent Improvements on which construction is commenced within three (3) years of the Completion Date for a period of three (3) years from the Completion Date or the issuance of a certificate of occupancy, whichever is longer. Such liaison shall inform all District agencies that, in accordance with this Lease, all approvals for the Stadium and Adjacent Improvements shall be prioritized and expedited. Nothing in this Section shall be construed as a waiver or reduction of any governmental requirement applicable to the Stadium or any Adjacent Improvement. Nothing in this Section shall be construed to obligate the District to engage a third party inspector or plan reviewer to assist Lessee.

(b) For a period of three (3) years from the Completion Date, with respect to the construction of any Adjacent Improvements, the District shall bear the cost of or waive all fees or deposits customarily levied by District agencies or departments during the course of entitlement, permitting and construction of development projects. For the avoidance of doubt, if any such amounts are paid to an agency of the District government (as distinguished from a federal agency such as the Fine Arts Commission) and are remitted to the District's General Fund rather than being required by any law of general applicability in effect as of the date the obligation to pay such cost is incurred to be held in a special purpose fund (such as the housing trust fund), these shall not be subject to the District's Development Cost Cap, however, all other amounts paid for by the District shall be subject to the Development Cost Cap.

(c) The District shall defend its fee title to the Land, subject to Permitted Encumbrances, from any and all third parties, provided that in the event of any claim adverse to such title is asserted, the District shall promptly notify Lessee and shall allow Lessee to provide Input (as defined in the Development Agreement) in the defense thereof.

(d) The District shall use reasonable efforts to provide for all Stadium Events, at Lessee's cost and expense, police protection directly outside the Stadium and in the surrounding area at a level substantially similar to that provided by it at other major league sports venues in the District, subject to such adjustments as may be reasonable to account for differences in venue size, projected attendance and the nature of the event, so as to provide appropriate safety and security for patrons of the Stadium, traffic control personnel and other public safety personnel and measures, including emergency medical service personnel and any additional fees charged by WMATA or by the streetcar line operator that are required to be assessed through the District rather than being paid directly by Lessee, if applicable (collectively "<u>Game Day Costs</u>").

(e) The District shall publish in the D.C. Register any notice with respect to any covenant, agreement or Obligation of District or Lessee under this Lease of which notice is required under District law to be published in the D.C. Register.

(f) If reasonably requested by Lessee, the District shall provide Lessee with reasonable assistance with respect to securing permits and governmental approvals required for the commencement of construction of the Adjacent Improvements, provided that all applications for such permits and approvals are in compliance with applicable laws, regulations and rules. The District makes no representation or warranty that its assistance or participation will assure the

issuance of any permits or approvals. Nothing in this Section shall require the District to incur any cost (other than as contemplated in Section 3.2(b)) in providing assistance to Lessee and the incurrence of any such cost to assist Lessee shall be at the District's sole and absolute discretion.

(g) Intentionally Omitted.

(h) Upon Lessee's written request and subject to and in accordance with any applicable laws and regulations, District shall provide Lessee with any publicly available proposed plans that are in the District's possession for the development of any area described in <u>Exhibit G</u> (the "<u>Consultation Area</u>") to permit Lessee to provide comments to the District regarding the operational impact that such proposed development may have on the Stadium and the Adjacent Improvements. For the avoidance of doubt, the foregoing is not intended to and shall not provide Lessee with any right of approval regarding development within such area.

(i) If requested by the Lessee, the District will examine the creation of an "Entertainment/Sports Area" land use overlay district that would include the Land and would be designed to encourage and harmonize uses and design throughout such Entertainment/Sports Area.

(j) The District shall assist the Team Operator in locating and obtaining the right to use appropriate practice fields in the District.

3.3 <u>No-Relocation Agreement</u>. As a material inducement to the District to enter into this Lease, on the date of execution of this Lease, the Lessee has caused the Team Operator to enter into the No-Relocation Agreement in the form attached hereto as <u>Exhibit I</u> pursuant to which the Team Operator will (i) commit DC United to play substantially all of its home Games at the Stadium, (ii) commit DC United to maintain its principal offices within the District of Columbia, and (iii) commit DC United to use reasonable efforts to locate DC United's practice field and any related facilities in the District of Columbia, in each case, for a term concurrent with the Term of this Lease.

# ARTICLE 4

# CONSTRUCTION OF STADIUM, CERTIFICATE OF COMPLETION AND ADJACENT IMPROVEMENTS

4.1 <u>Commencement and Completion of Construction of the Stadium</u>. Lessee agrees for itself and its successors and assigns that Lessee, and such successors and assigns, shall:

(a) except as otherwise set forth in this Lease or the Development Agreement, be responsible for all costs associated with the design, development, construction, financing and operation of the Stadium; and

(b) fully cooperate, and shall cause its contractor to fully cooperate, with the District to facilitate all government processes and the securing of all permits and approvals required under this Lease and the Development Agreement and/or necessary to construct the Stadium.

4.2 <u>District Suite and Box Seats</u>. For all Games, the District shall be entitled to use a designated Luxury Suite and twenty-five (25) Box Seat tickets in the Stadium in mutually agreed locations and parking without charge. For all other events at the Stadium, the District shall be entitled to use the designated Luxury Suite and the twenty-five (25) Box Seat tickets in the Stadium in mutually agreed locations and parking on the most favorable terms afforded to any other licensee of any other Luxury Suite or Box Seat, as applicable.

4.3 <u>Certificate of Completion</u>. Promptly after Substantial Completion, District shall furnish Lessee with an appropriate instrument acknowledging that Lessee has satisfied the criteria for Substantial Completion of the Stadium under Section 8.9(b) of the Development Agreement. The instrument certifying Substantial Completion shall be called the "<u>Certificate of Completion</u>." Such certificate shall also specify the date of Substantial Completion of the Stadium. The Certificate of Completion shall be in such form as will enable it to be recorded among the land records of the District of Columbia.

4.4 <u>Additions or Alterations to Completed Stadium</u>. After Substantial Completion of the Stadium, Lessee shall have the right at all times during the Term to materially reconstruct, demolish, or subtract from or make any material extensions of the Stadium, or materially alter or change the exterior materials and design, siting and landscaping, or parking or loading facilities without the prior written approval of the District as lessor under this Lease, but subject to any other approvals that may be required by applicable law, and to the requirements of the Development Agreement, including Section 7.2 thereof (it being understood that the obligations of the parties under the Development Agreement survive the opening of the Stadium).

4.5 <u>Construction, Additions or Alterations to Adjacent Improvements</u>. Lessee shall have the right at all times during the Term to construct, reconstruct, demolish, or subtract from or make any material extensions of the Adjacent Improvements, or materially alter or change the exterior materials and design, siting and landscaping, or parking or loading facilities of the Adjacent Improvements, without the prior written approval of the District as lessor under this Lease, but subject to any other approvals that may be required by applicable law, and to the extent applicable, to the requirements of the Development Agreement including Section 7.9 thereof (it being understood that the obligations of the parties under the Development Agreement survive the opening of the Stadium).

4.6 <u>No Obligation to Incur Expenses</u>. Except as otherwise provided in this Lease, the Development Agreement, the other District Agreements or as are required by law, in connection with any action required or permitted to be taken by Lessee hereunder, District will not be obligated to incur any expense or improve, reconstruct, alter, repair or maintain any portion of the Stadium, the Adjacent Improvements, the Adjacent Land or the Stadium Land, and Lessee hereby waives any right Lessee may have under any legal requirement to make repairs or take any other action at District's expense. Lessee shall reimburse District upon demand for all expenses (including reasonable attorneys' fees and expenses) District incurs in connection with (i) any failure by Lessee to take any action required to be taken by Lessee hereunder or (ii) the taking of any action required or permitted to be taken by Lessee hereunder.

### 4.7 <u>Title to the Stadium</u>.

(a) Title to the Stadium and the Adjacent Improvements shall be and remain in Lessee for and during the Term, subject to the leasehold estate hereunder, but on the expiration of the Term or earlier termination of this Lease (by lapse of time or otherwise), Lessee hereby covenants and agrees, subject to the provisions of Article 19, that the sole ownership of the Stadium and the Adjacent Improvements and the right to possess and use the same shall automatically pass to and be vested in District, whereupon the entirety of Lessee's ownership of the Stadium and the Adjacent Improvements will automatically terminate and vest in District. At the end of the Term, Lessee shall make an absolute assignment (without recourse) to District, free of all monetary liens and other monetary encumbrances, of all of the unexpired warranties, guarantees and other contract rights with respect to third parties that Lessee may have, as of the end of the Term, relating to the Stadium and/or the Adjacent Improvements. At District's request, Lessee shall execute and deliver to District such instruments as may be necessary or appropriate to confirm this assignment and facilitate the exercise by District of the rights assigned hereby.

(b) For the avoidance of doubt, any air rights, combined lot development rights, or other transferrable development rights associated with the Stadium Land or the Adjacent Land shall belong solely to the District, which may dispose of such rights in its sole and absolute discretion. Notwithstanding any language to the contrary herein, Lessee shall have no interest in any such rights as a result of this Lease. The parties agree that the Memorandum of Lease provided in Article 2 shall specifically reserve such rights to the District.

4.8 <u>Promotional Rights</u>. Anything to the contrary contained notwithstanding, throughout the Term of this Lease and following its expiration or earlier termination (by lapse of time or otherwise), the District shall have no interest in any Promotional Rights; provided, however, that Lessee may not grant any Promotional Rights with respect to the Stadium that exceed the expiration of the Term of this Lease. For the avoidance of doubt, nothing in this Lease shall limit or restrict the District from using, without charge by Lessee or any of its Affiliates, images, photographs, videos and other visual representations of the Stadium to promote the District.

# ARTICLE 5

### TERM

5.1 <u>Initial Term</u>. The initial term of this Lease (the "<u>Initial Term</u>") shall commence on the Effective Date and shall end upon the expiration of the thirtieth (30th) Rent Year following the Rent Commencement Date.

5.2 <u>Options to Extend</u>.

(a) District hereby grants Lessee the right and option to extend this Lease for three (3) additional periods (each a "<u>Renewal Term</u>") of five (5) years each, commencing upon the expiration of the Initial Term or the then-expiring Renewal Term, as the case may be; provided that no material Lessee Default shall have occurred and be continuing. For purposes of this Lease,

there shall be no distinction between the terms "renewal" and "extension" or derivations thereof. Each Renewal Term shall be upon the same terms, covenants and conditions as the Initial Term of this Lease. Lessee shall notify District in writing of its election to extend this Lease (a "<u>Notice of Extension</u>") for any such Renewal Term no later than one (1) year prior to the expiration of the Initial Term or the then-expiring Renewal Term, as the case may be. In the event that Lessee shall fail to give a Notice of Extension prior to the expiration of such one (1) year period, District shall promptly advise Lessee in writing that it has not received a Notice of Extension. Lessee's option to extend shall then remain in full force and effect for a period of thirty (30) days from receipt by Lessee of such written notice from District.

The parties to this Lease agree that it is their intention to avoid forfeiture of (b) Lessee's options to extend this Lease as a result of Lessee's inadvertent or negligent failure to give a Notice of Extension. District agrees that if Lessee shall fail to give a Notice of Extension to District and if District shall fail to give notice to Lessee advising Lessee that a Notice of Extension has not been received by District, upon what would otherwise be the expiration of the Term without said exercise. Lessee's right to exercise the foregoing options and the Term shall both be deemed automatically extended on a month-to-month basis (unless Lessee gives notice to District that it does not intend to exercise its right to extend this Lease, in which event the Term shall expire). Such month-to-month extension shall be subject to (i) District's right to place a thirty (30) day time limit on Lessee's continuing right to exercise said option by giving notice to Lessee that District has not received a Notice of Extension from Lessee as described in Section 5.2(a), and (ii) District's and Lessee's right to terminate this Lease at the end of any month during such month-to-month period by giving the other party thirty (30) days' prior written notice, provided Lessee has not exercised its option to extend prior to such termination. Regardless of the date on which Lessee notifies District of its election to exercise its option to extend this Lease, the Renewal Term shall be deemed to have commenced upon the expiration of the Initial Term or the first Renewal Term, as the case may be.

Separate Adjacent Land Lease. In order to facilitate Lessee's financing of the 5.3 Adjacent Improvements, at Lessee's option, the leasehold estate created hereby may be partitioned and this Lease superseded by two (2) or more new leases, each on the same terms and conditions as are set out in this Lease, but one as to the Stadium Land and the other(s) as to the Adjacent Land, which Adjacent Land lease(s) shall be for a term of up to ninety-nine (99) years from the Rent Commencement Date, shall contain only those provisions applicable to the Adjacent Land (and shall therefore not include the provisions of Sections 4.1, 4.2, 4.3, 4.4, 5.3, 6.3, Article 8, Section 10.1, Article 14 (as it relates to the Stadium and the Stadium Land), Article 15, Article 16 (as it relates to the Stadium and the Stadium Land), Section 18.1, Article 21 (as it relates to the Stadium and the Stadium Land) and Exhibits C and I), and which shall provide for Annual Rent of One Dollar (\$1.00) per year, plus the Adjacent Land Rent (which shall not be included in the replacement lease for the Stadium Land). Any lease(s) for the Adjacent Land shall be on such terms as are necessary for Lessee to obtain financing for the applicable Adjacent Improvement on commercially reasonable terms, including for a term longer than the Term of this Lease but in no event shall any such term be less than forty-five (45) years commencing on the Rent Commencement Date and in excess of ninety-nine (99) years from the Rent Commencement Date.

# ARTICLE 6

#### RENT

6.1 <u>Annual Rent</u>. Commencing on the Rent Commencement Date and on the first day of each Rent Year thereafter, Lessee shall pay to the District annual rent in the amount of One Dollar (\$1) for each Rent Year (the "<u>Annual Base Rent</u>"). Annual Base Rent and Additional Rent shall be paid without demand. Annual Base Rent and Additional Rent are collectively referred to herein as "<u>Rent</u>."

6.2 <u>Participating Rent</u>. Unless the Rent Commencement Date fails to occur on or before the seventh (7<sup>th</sup>) anniversary of the Effective Date by reason of the District's failure to achieve or satisfy in a timely manner any of its obligations under any of Articles III, IV, V or VI of the Development Agreement (including if such failure is otherwise excused by reason of Unavoidable Delay) or by reason of any breach of the District's obligations under the Development Agreement or this Lease, Lessee shall pay any amounts due to the District under <u>Exhibit C</u> attached hereto and made a part hereof, if, as and when therein provided ("<u>Participating Rent</u>").

6.3 <u>Additional Rent</u>. Lessee shall reimburse District for Game Day Costs within sixty (60) days after demand; provided, however, Lessee shall have no reimbursement obligation for Game Day Costs that are in excess of the costs paid to the District for such services by other major league sports venue operators in connection with ongoing events that are generally similar to the subject events at the Stadium with such adjustments as may be reasonable to account for differences in venue size, projected attendance and the nature of the event. Such Game Day Costs, any amounts due to the District under the provisions contained in <u>Exhibit C</u> attached hereto and made a part hereof and any other payment obligations of Lessee to the District hereunder which are not Annual Base Rent (including Participating Rent and Adjacent Land Rent) are collectively referred to herein as "Additional Rent".

6.4 <u>Rent Credit and Offset</u>. Each installment of Additional Rent shall be credited and offset by the amount, if any, of (i) any new Public Charges not of general applicability assessed by the District on the Stadium or Stadium Land not in effect as of the Effective Date, (ii) any Real Estate Tax that is not abated in accordance with Section 11.3 and <u>Exhibit D</u> and is paid by Lessee during the previous Rent Year, and (iv) amounts described in Section 14.4 of the Development Agreement. As used in subsection (i) above, the term "general applicability" means applicable to venues other than the Stadium and which include other major league sports venues in the District.

6.5 Adjacent Land Rent. From and after the thirty-fifth (35<sup>th</sup>) anniversary of the Possession Date, the Lessee shall pay the District, annually in arrears, an amount (the "<u>Adjacent</u> <u>Land Rent</u>") equal to five percent (5%) of the fair market value of the improvements located on the Adjacent Land on the 35<sup>th</sup> anniversary of the Possession Date (the "<u>Year 35 Adjacent</u> <u>Improvements FMV</u>"). The Adjacent Land Rent will be due on the thirty-sixth anniversary of the Possession Date and on each subsequent anniversary of the Possession Date thereafter during the Term. The Lessee and the District will attempt to agree in good faith on the Year 35 Adjacent Improvements FMV within sixty (60) days following the thirty-fifth anniversary of the Possession Date, and if they are unable to so agree by such 60<sup>th</sup> day, the Year 35 Adjacent Improvements FMV will be determined by binding arbitration administered by the American Arbitration Association under its Expedited Commercial Arbitration Rules ("CAR"), and shall occur in Washington, D.C. This agreement to arbitrate shall be specifically enforceable pursuant to and interpreted under the Federal Arbitration Act, and the parties agree that no appeal or review of the decision of the arbitrator shall be taken unless the arbitrator has clearly exceeded the scope of his or her authority under this Lease. Venue for review of and/or judgment on the award rendered by the arbitrator shall be the United States District Court for the District of Columbia. During the pendency of the resolution of any dispute hereunder, Lessee shall not be deemed in default as to the payment of Adjacent Land Rent.

#### ARTICLE 7

#### **USE OF ADJACENT IMPROVEMENTS**

7.1 <u>Use</u>. During the Term, and subject to the terms and conditions of this Lease and, prior to the Rent Commencement Date, the Development Agreement, Lessee and its tenants, subtenants, licensees, guests and invitees shall have the exclusive right to possess, occupy and use the Adjacent Improvements and the Adjacent Land for any purposes allowed under applicable law which do not detract from the use of the Stadium Land for the Stadium. For the avoidance of doubt, for any proposed use of the Adjacent Land that is not reasonably related to the game day experience, Lessee shall be required to secure the District's prior approval in accordance with Section 7.9 of the Development Agreement and Section 4.5 of this Lease. The term "game day experience" (and similar expressions) as used in this Lease shall include, without limitation, retail establishments such as bars, restaurants and team stores and stores selling primarily merchandise generally oriented to tourists such as shirts, mugs, flags and similar items displaying the logos of the District, WMATA or other such non-sports related items.

7.2 <u>Reversionary Rights to District</u>. Except for such acts as are expressly authorized by other provisions of this Lease, (i) no act of commission or omission done or suffered to be done by Lessee shall in any manner, directly or indirectly, affect the fee title or reversionary estate of District in the Adjacent Land, including the Adjacent Improvements, and (ii) no other provisions of this Lease shall authorize, or be construed to authorize, Lessee to perform any act which may in any way encumber or change any of the rights, title or interests of District therein.

#### ARTICLE 8

#### **USE OF STADIUM**

8.1 <u>Use</u>. From and after the Rent Commencement Date, during the Term, Lessee and its guests, licensees and invitees shall have the exclusive right to possess, occupy and use the Stadium Land and the Stadium for the following purposes (subject to the Rules and Regulations and all applicable laws and regulations):

(a) to schedule and provide, for the occurrence of Stadium Events (including Games) and to conduct all activities relating to such Stadium Events (including Games);

- (b) to conduct activities relating to the maintenance and operation of professional soccer teams;
- (c) to occupy and conduct day-to-day business operations in Team Operator's office space within the Stadium;
- (d) to construct, operate and display such signs on the interior of the Stadium as Lessee deems necessary or desirable;
- (e) to operate concession areas (or to contract with Concessionaires to operate concession areas) in and around the Stadium;
- (f) to sublease or license space in the Stadium to subtenants or licensees for uses reasonably consistent with the operation of a first-class, outdoor soccer stadium (including for women's soccer and professional lacrosse) and, in connection therewith, to make such alterations, additions or improvements as are reasonably necessary or appropriate;
- (g) to advertise in the Stadium (or to contract with Stadium Advertisers for the advertisement or promotion of such Stadium Advertisers' products or services and/or to engage in sponsorship activity);
- (h) to conduct any other activity customarily conducted in outdoor sports venues or which the District has consented to be conducted in other outdoor sports venues of which it is the lessor, except that the District may decline to issue any license or permit needed to conduct activities at the Stadium in accordance with any law, rule or regulation of general applicability; and
- (i) subject to the prior written consent of the District, to use the Stadium for any and all other lawful purposes permitted or otherwise legally conducted in any other major league sports venue in the District.

Notwithstanding the foregoing, the use of the Stadium and the Stadium Land as a casino or other gaming establishment shall not be a permitted use under this Lease. From and after the Rent Commencement Date, during the Term, Lessee covenants to provide for and allow pedestrian access from T Street to Potomac Avenue across the Land, except for periods during which street fairs, ticketed concerts, ticketed events and similar events are conducted (including set up and clean up).

8.2 <u>Lessee's Operating Covenant</u>. Except as otherwise provided in Articles 15 and 19, and except in connection with an Unavoidable Delay, Lessee shall (i) cause DC United from and after the Possession Date and until the expiration of the Term or earlier termination of this Lease (by lapse of time or otherwise) to honor the No-Relocation Agreement, and (ii) cause DC United from and after the Rent Commencement Date and until the expiration of the Term or earlier termination of this Lease (by lapse of time or otherwise) to maintain its principal offices within the District of Columbia.

8.3 <u>Lessee's Management Covenant</u>. Lessee shall have the exclusive right to manage the Stadium during the Term, and shall manage and operate the Stadium or cause the Stadium to be managed and operated as a first-class sporting event and entertainment facility and in a professional, businesslike and efficient manner consistent with the manner in which other facilities in which MLS teams play are managed and operated, all of the foregoing being subject only to any language to the contrary in Articles 15 and 19; <u>provided</u>, <u>however</u>, that Lessee shall be excused from its obligations to manage and operate the Stadium as described in this Section 8.3 to the extent that Lessee, or any manager or operator or Concessionaire retained by Lessee, shall be prevented from compliance with such standards by (i) any District Default, (ii) the termination of this Lease, or (iii) Unavoidable Delay.

8.4 <u>Reversionary Rights to District</u>. Except for such acts as are expressly authorized by other provisions of this Lease, (i) no act of commission or omission done or suffered to be done by Lessee shall in any manner, directly or indirectly, affect the fee title or reversionary estate of District in the Stadium Land, including the Stadium, and (ii) no other provisions of this Lease shall authorize, or be construed to authorize, Lessee to perform any act which may in any way encumber or change any of the rights, title or interests of District therein.

### ARTICLE 9

# **INSURANCE AND SUBROGATION**

# 9.1 <u>Lessee's Insurance</u>.

(a) Lessee shall, during the period of any construction on the Stadium Land or the Adjacent Land, as applicable, maintain in full force and effect, at Lessee's sole cost and expense, insurance as required under the Development Agreement.

(b) From and after (i) as to the Stadium, the Completion Date, and (ii) as to the Adjacent Improvements, the date that construction of the Adjacent Improvements has been substantially completed, Lessee shall maintain in full force and effect, in its name, insurance covering damage or destruction to the Stadium or the Adjacent Improvements, as applicable, Lessee's equipment, and other personal property, improvements and betterments to the Stadium or the Adjacent Improvements, as applicable, owned by Lessee for, in the case of the Stadium, one hundred percent (100%) of the replacement cost thereof and, in the case of any Adjacent Improvements, at least ninety percent (90%) of replacement cost thereof on a "risk of direct physical loss" peril basis, including coverage against explosion and collapse, and resultant damage, and sewer backup (but specifically excluding flood and earthquake coverage), subject to deductible limits not to exceed Twenty Five Thousand Dollars (\$25,000). Such insurance shall have an agreed amount endorsement. All of the insurance obtained under this Section 9.1(b) shall name the District and any other Persons determined by Lessee as additional insureds.

(c) Lessee shall, from and after (i) as to the Stadium, the Completion Date, and (ii) as to the Adjacent Improvements, the date that construction of the Adjacent Improvements has been substantially completed, maintain in full force and effect, at its expense, (A) statutory workers' compensation coverage and employer's liability coverage in the amount of One Million Dollars

(\$1,000,000) per occurrence, or such lesser amount as may satisfy carriers of Lessee's umbrella or excess liability coverage; (B) business automobile liability coverage for bodily injury and property damage with a combined single limit per accident of One Million Dollars (\$1,000,000); (C) "occurrence type" general liability insurance against bodily injury and property damage arising from occurrences on the Stadium Land or the Adjacent Land, as applicable, including in the Stadium, the Stadium Parking and the Adjacent Improvements; (D), as to the Stadium only, until such time as the annual premium attributable thereto shall be more than double the annual premium attributable thereto for the first Rent Year, liquor liability insurance in the amount of One Million Dollars (\$1,000,000) per occurrence; and (E), as to the Stadium only, umbrella or excess liability coverage (in form no less broad than the underlying coverage) to apply in excess of business automobile, liquor, general, contractual and employer's liability limits, in an amount necessary to increase overall coverage to Twenty-Five Million Dollars (\$25,000,000) per occurrence. The insurance required by clause (C) of this Section 9.1(c) may be written on a commercial general liability policy form to include premises, operations, products and completed operations, personal injury/advertising injury, independent contractors and broad form property damage, and may contain a general aggregate per location of not less than Two Million Dollars (\$2,000,000) and a products/completed operations aggregate of not less than One Million Dollars (\$1,000,000). All of the insurance obtained under this Section 9.1(c) shall name District and any other Persons determined by Lessee as additional insureds. Notwithstanding the foregoing, Lessee shall maintain the insurance required under this Section 9.1(c) in amounts not less than those required by any leasehold mortgagee, or as to the Stadium only, in the event there is no leasehold mortgage, in amounts not less than those carried by lessees of similar facilities in comparable metropolitan areas but in no event in amounts less than the amounts specified in this Section 9.1(c).

# 9.2 Insurance Requirements.

(a) All policies of insurance required hereunder shall be written by carriers authorized to do business in the District of Columbia and possessing an A- policyholder's rating or better and a minimum Class VII financial size category as listed at the time of issuance by <u>A.M. Best</u> <u>Insurance Reports</u> or a similar rating publication. The aforesaid rating classifications shall be adjusted if and to the extent that the applicable rating publication adjusts its rating categories.

(b) All policies shall provide that they may not be canceled or not renewed unless at least ten (10) days' notice thereof has been provided to the additional insureds. In no event shall Lessee be required to insure for liability limits in excess of coverage which is available at commercially reasonable rates. In the event that tort liability legislation is adopted which makes the limits of liability hereinabove provided in excess of commercially reasonable and prudent limits of liability, such limits will be equitably reduced.

9.3 <u>Certificates</u>. Not later than the date on which coverage is to be provided hereunder, Lessee shall furnish to District a certificate evidencing the required coverage.

9.4 <u>Waiver of Subrogation</u>. District and Lessee agree that all insurance policies against loss or damage to property and business interruption or rent loss shall be endorsed to provide that any release from liability of, or waiver of claim for recovery from, another Person

entered into in writing by the insured thereunder prior to any loss or damage shall not affect the validity of said policy or the right of the insured to recover thereunder. Such insurance policies shall further provide that the insurer waives all rights of subrogation which such insurer might have against the other Person. Without limiting any release or waiver of liability or recovery contained in any other section of this Lease, but rather in confirmation and furtherance thereof, each of the parties to this Lease waives all claims for recovery from every other party to this Lease for any loss or damage to any of its property or damages as a result of business interruption or rent loss insured under valid and collectible insurance policies to the extent of any recovery collectible under such insurance policies.

9.5 <u>No Representation as to Adequacy of Coverage</u>. The requirements set forth herein with respect to the nature and amount of insurance coverage to be maintained or caused to be maintained by Lessee hereunder shall not constitute a representation or warranty by the District or Lessee that such insurance is in any respect adequate.

# ARTICLE 10

### MAINTENANCE AND REPAIRS

10.1 <u>Responsibility as to Stadium</u>. Lessee shall keep the Stadium in good order and repair consistent with the standard generally applicable to first-class, outdoor soccer stadiums. Lessee shall keep and maintain all portions of the Stadium Land, including landscaping, and all sidewalks, curbs and passageways adjoining or appurtenant to the same in a good and safe repair and condition, free of dirt, rubbish, snow, ice, and unlawful obstructions; <u>provided</u>, <u>however</u>, that District shall provide police and public safety measures as set forth in Section 3.2(d), and Lessee shall have no responsibility for such measures. Lessee shall maintain such reserves for capital improvements and replacements to the Stadium as may be required by any leasehold mortgagee or as otherwise reasonably required by the District.

10.2 <u>Responsibility as to Adjacent Improvements</u>. Lessee shall keep the Adjacent Improvements in good order and repair consistent with the standard generally applicable to comparable properties. Lessee shall keep and maintain (or cause to be kept and maintained) all portions of the Adjacent Land, including landscaping, and all privately owned sidewalks, curbs and passageways adjoining or appurtenant to the same in a good and safe repair and condition, free of dirt, rubbish, snow, ice, and unlawful obstructions. Lessee shall maintain such reserves for capital improvements and replacements to the Adjacent Improvements as may be required by any leasehold mortgagee or as otherwise reasonably required by the District.

10.3 <u>Mechanics' Liens</u>. Lessee shall make prompt payment of all money due and legally owing from it to all Persons doing any work or furnishing any materials or supplies to Lessee or any of its contractors in connection with development, construction, equipping or repair of the Stadium or the Adjacent Improvements, as applicable, and shall use its reasonable efforts to cause prompt payment to be made by its contractors to subcontractors. Lessee shall not permit any mechanics' or similar lien to be filed against the District's fee estate in any portion of the Land, the Adjacent Improvements or the Stadium in connection with any labor, materials, equipment or services furnished directly or indirectly to Lessee or any other user, subtenant, licensee or occupant of the Stadium or the Adjacent Improvements. Within fifteen (15) Business Days after receiving notice of the filing of any such lien, Lessee shall cause such lien to be fully discharged by (i) payment or the posting of a bond or (ii) the recordation of a release or the order of a court of competent jurisdiction. No provision hereof may be construed as constituting the consent of District to any personal liability or the right of any person to file any lien in connection with the furnishing of any labor, materials, equipment or services in connection with the Stadium, the Adjacent Improvement, the Adjacent Land or the Stadium Land.

#### ARTICLE 11

#### PUBLIC CHARGES AND TAXES

Public Charges. From and after the Possession Date until the expiration of the 11.1 Term, and notwithstanding the fact that fee simple title to the Land may be held by District, Lessee covenants and agrees, subject to the terms, conditions and provisions of this Lease, to pay and discharge, before any fine, penalty, interest or cost may be added, all Public Charges (provided that Lessee may be entitled to a credit or offset against Rent for some or all of such Public Charges pursuant to Section 6.4 hereof). Notwithstanding the provisions of the preceding sentence, Lessee shall have the right to contest the amount or validity, in whole or in part, of any Public Charges by appropriate proceedings and, if Lessee is prosecuting such proceedings with reasonable diligence, Lessee, to the extent permitted by law, may postpone or defer the payment of such Public Charges so long as such contest shall continue. The District agrees to join in any such proceedings if required for the prosecution thereof. All Public Charges relating to a fiscal period of a taxing authority, (i) a part of which occurs prior to the Effective Date and part of which occurs after the Possession Date, or (ii) a part of which occurs after the expiration of the Term or earlier termination of this Lease (whether or not such Public Charges are imposed or become a lien upon the Land or become payable prior to the date of expiration of the Term or earlier termination of this Lease), shall be adjusted when paid as between the District and Lessee as of the Possession Date or as of the date of the expiration of the Term or earlier termination of this Lease, as the case may be, so that Lessee shall pay the same proportion of such Public Charges which the part of such fiscal period during which this Lease was in full force and effect bears to that entire fiscal period, and District shall pay the remainder thereof. For the avoidance of doubt, nothing in this Lease is intended to or shall exempt or abate any sales tax applicable to items sold at the Stadium or any Adjacent Improvement or as to tickets for events at the Stadium.

11.2 Evidence of Payment of Public Charges. Lessee and District, upon request of the other, shall furnish or cause to be furnished to the other official receipts of the appropriate taxing authority or other proof satisfactory to Lessee or District, as applicable, evidencing the payment of any Public Charges which were due and payable thirty (30) days or more prior to the date of such request; provided, however that if Lessee or District, as applicable, has contested any of such Public Charges, it shall submit to the other, in lieu of such receipts, evidence of such contest. Promptly after the conclusion of any such contest affecting fiscal periods with respect to which receipts were requested, Lessee or District, as applicable, shall advise the other of the results thereof and provide evidence of payment of any amounts due. If payment of Public Charges is required during the pendency of such contest, Lessee or District, as applicable, shall provide the other with evidence of such payment.

### 11.3 Real Estate Taxes.

(a) The Real Estate Taxes imposed in connection with the Stadium or Stadium Land shall be abated as provided in <u>Exhibit D</u> attached hereto. Any such abatement for any real property tax year may be allocated between half tax years at the reasonable discretion of the Office of Tax and Revenue.

(b) The abatements provided by subsection (a) of this Section 11.3 and <u>Exhibit D</u> shall terminate at the earlier of (i) the end of the half tax year during which the Stadium ceases to be used as a stadium by a major league soccer team, or (ii) the termination of this Lease.

(c) The abatements provided by this section shall be in addition to, and not in lieu of, any other tax relief or assistance from any other source applicable to the Stadium.

(d) Lessee's obligation to pay Real Estate Taxes for any Rent Year shall abate if and to the extent provided in Sections 6.4 and 13.4(b) of this Lease.

#### ARTICLE 12

# DISTRICT'S RIGHT OF ENTRY AND INSPECTION

During the Term, District shall have the right upon reasonable prior written notice to Lessee to enter into and upon the Stadium and the Adjacent Improvements for purposes of inspecting the Stadium and the Adjacent Improvements, provided such inspection does not interfere with the construction or operation of the Stadium and the Adjacent Improvements, the conducting of a Stadium Event in the Stadium, the operation of any subtenant's or licensee's activities in the Adjacent Improvements (and subject to any rights of such subtenant or licensee under its sublease or license entered into in accordance with the terms of this Lease with regard to the Adjacent Improvements), or any other activity occurring at the Stadium or the Adjacent Improvements. Said right shall be exercised only during usual business hours except in the case of an emergency. Any inspection made under this Article 12 shall be subject to Lessee restricting entry to certain areas of the Stadium or the Adjacent Improvements for reasons of health, safety or compliance with insurance, or permitting access to certain areas of the Stadium or the Adjacent Improvements only if certain protective headgear, clothing or glasses are worn, or subject to them terms of any sublease or license with regard to the Adjacent Improvements entered into in accordance with the terms of this Lease which may impose restrictions on such inspections. For the avoidance of doubt, nothing in this Article 12 shall restrict, limit or impair the District's right of entry and inspection under any regulatory or police power of the District.

#### ARTICLE 13

#### **DEFAULT AND REMEDIES**

13.1 <u>Default by Lessee</u>. The occurrence of any one or more of the following events constitutes a default by Lessee under this Lease (a "Lessee Default"):

(a) Failure by Lessee at any time to pay Annual Base Rent to District within ten (10) days after notice of such failure is given to Lessee by District;

(b) Failure by Lessee at any time to pay Additional Rent to District within thirty (30) days after notice of such failure is given to Lessee by District; <u>provided</u>, <u>however</u>, that Lessee shall not be in default with respect to payments being contested in good faith for the period of the good faith contest;

(c) Breach of the covenants set forth or described in Section 8.2(i) by either Lessee or the Team Operator, without the prior written consent of the District;

(d) Failure by Lessee to observe or perform any other covenant, agreement, condition or provision of this Lease for a period of more than thirty (30) days after Lessee's receipt of a notice from District specifying the failure in reasonable detail; <u>provided</u>, <u>however</u>, that Lessee shall not be in default with respect to matters that cannot be reasonably cured within such thirty (30) day period, so long as Lessee has promptly commenced such cure and diligently proceeds to complete the same to the District's reasonable satisfaction; and

(e) Institution of bankruptcy, reorganization, receivership, arrangement, insolvency or liquidation proceedings, or other proceedings for relief under any federal or District bankruptcy law, or similar law for the relief of debtors, by or against Lessee or the Team Operator, and, if instituted against Lessee or the Team Operator, not dismissed within one hundred eighty (180) days after such institution.

13.2 <u>District's Remedies</u>. If a Lessee Default occurs, subject to the rights of leasehold mortgagees set forth in Section 25.6, in addition to any other rights or remedies District may have under this Lease, District shall have the following rights:

(a) In the event of a Lessee Default under Sections 13.1(a) or 13.1(b) above, District may enforce the provisions of this Lease by seeking specific performance or the enforcement of any other appropriate legal or equitable remedy, including money damages; <u>provided</u>, <u>however</u>, that in no event shall District have the right to terminate this Lease or to seek consequential or punitive damages as a result of a Lessee Default under Sections 13.1(a) or 13.1(b).

(b) In the event of a Lessee Default under Section 13.1(c) above, District may enforce the provisions of this Lease by seeking specific performance or the enforcement of any other appropriate legal or equitable remedy, including money damages and, in the case of a breach of the No-Relocation Agreement, consequential and punitive damages; <u>provided</u>, <u>however</u>, that in no event shall District have the right to terminate this Lease as a result of a Lessee Default under Section 13.1(c).

(c) In the event of a Lessee Default under Sections 13.1(d) or 13.1(e) which has not been cured within the applicable cure period, District may enforce the provisions of this Lease by seeking specific performance or the enforcement of any other appropriate legal or equitable remedy; <u>provided</u>, <u>however</u>, that in no event shall District have the right to terminate this Lease or seek money damages as a result of a Lessee Default under Section 13.1(d).

(d) After the time District has given notice of a Lessee Default and any applicable grace period provided has expired, if any sums payable by Lessee shall remain due and payable, or after the time for performance by Lessee of any other term, covenant, provision or condition of this Lease, or before the expiration of that time in the event of a bona fide emergency (in which case District shall only be required to give such notice as is reasonable and practical under the circumstances), District may, at District's election (but without obligation), make any payment required of Lessee under this Lease, or perform or comply with any term, covenant, provision or condition imposed on Lessee under this Lease, as District deems advisable. The repayment of Lessee of amounts so paid, plus interest on such sums at the Interest Rate, shall be deemed to be Additional Rent payable by Lessee immediately upon demand. No such payment, performance or observance by District shall constitute a waiver of default or of any remedy for default or render District liable for any loss or damage resulting from any such act. District may, with notice to Lessee and at any time or from time to time, charge and set off any such delinquent sums against amounts, if any, thereafter payable by District to Lessee.

13.3 <u>Default by District</u>. The occurrence of any one or more of the following events constitutes a default by District under this Lease (a "<u>District Default</u>"):

(a) Failure by District at any time to pay any sums that this Lease provides are payable by District within sixty (60) days after notice of such failure is given to District, as applicable, by Lessee; <u>provided</u>, <u>however</u>, that District shall not be in default with respect to payments being contested in good faith for the period of the good faith contest; or

(b) Failure by District to observe or perform any other covenant, agreement, condition or provision of this Lease for a period of more than thirty (30) days after receipt by District of a notice from Lessee specifying the failure in reasonable detail; <u>provided</u>, <u>however</u>, that District shall not be in default with respect to matters that cannot be reasonably cured within such thirty (30) day period, so long as District has promptly commenced such cure and diligently proceeds in a reasonable manner to complete the same to Lessee's reasonable satisfaction.

13.4 Lessee's Remedies.

(a) If a District Default occurs, in addition to any other rights or remedies Lessee may have under this Lease, Lessee may enforce the provisions of this Lease by seeking specific performance or the enforcement of any other appropriate legal or equitable remedy, including money damages, or at its election and in lieu of specific performance or any similar equitable remedy, Lessee may, in the event the District Default materially adversely affects the long-term economic benefit of the bargain expressed in this Lease, terminate this Lease.

(b) In addition to, and without limiting, any other right or remedy provided for in this Lease, after the time Lessee has given notice and any applicable grace period provided has expired, if any sums payable by District shall remain due and unpaid, or after the time for performance by District of any other term, covenant, provision or condition of this Lease, or before the expiration of that time in the event of a bona fide emergency (in which case Lessee shall only be required to give such notice as is reasonable and practical under the circumstances), Lessee may, at Lessee's election (but without obligation), make any payment required of District under this Lease, which

payment, together with amounts described in Section 14.4 of the Development Agreement advanced by Lessee, shall become a "Lessee Advance," or perform or comply with any term, covenant, provision or condition imposed on District under this Lease, as Lessee deems advisable. Any Lessee Advance so made plus the cost of such performance or compliance, plus interest on such sums at the Interest Rate, shall be payable by District upon demand. No such payment, performance or observance by Lessee shall constitute a waiver of default or of any remedy for default or render Lessee liable for any loss or damage resulting from any such act. Lessee may, with notice to District and at any time or from time to time, charge and set off Lessee Advances, or any amounts payable by District to Lessee hereunder and remaining unpaid after the due date thereof and any amount described in Sections 11.3(b) or 11.4(b) of this Lease, against any amounts thereafter payable by Lessee to District, including Additional Rent.

# 13.5 General Provisions.

(a) Except as otherwise expressly provided herein, no right or remedy herein conferred upon, or reserved to, District or Lessee is intended to be exclusive of any other right or remedy, but each shall be cumulative and in addition to every other right or remedy given herein or now or hereafter existing at law or in equity or by statute; <u>provided</u>, <u>however</u>, that neither District nor Lessee shall have any right to cancel, rescind or otherwise terminate this Lease due to a breach of this Lease by any other party to this Lease except as otherwise specifically set forth in this Lease.

(b) No waiver by any party to this Lease of any breach of Obligations, agreements or covenants herein shall be a waiver of any subsequent breach of any Obligations, agreements or covenants, nor shall any forbearance by any party to this Lease to seek a remedy for any breach by another party to this Lease be a waiver by such party of any rights or remedies with respect to such or any subsequent breach, nor shall any express waiver by any party to this Lease be deemed to apply to any other existing or subsequent right to remedy any default by another party, nor shall any waiver by any party to this Lease of any default or breach by another party in the performance of any of the covenants or Obligations of such other party be deemed to have been made by the party against which the waiver is sought to be charged unless contained in a writing executed by such party.

(c) In the event that any party to this Lease fails to pay any payment required hereunder when due, then, without limiting any other rights of the non-defaulting party or parties, the defaulting party or parties shall be liable for interest thereon at the Interest Rate from the date that such installment was due until the date paid in full.

(d) In the event the Lease is partitioned in accordance with Section 5.3, the resultant leases shall not be cross defaulted.

13.6 <u>Limitation on Liability</u>. Notwithstanding anything in this Lease to the contrary other than with respect to a breach of the No-Relocation Agreement, the liability of Lessee for performance of its Obligations hereunder shall be limited to the assets of Lessee, and none of the partners, Affiliates, members, principals or employees of Lessee shall have any liability whatsoever for performance or nonperformance of Lessee's Obligations hereunder, and District, behalf of itself and its successors and assigns, agrees to look only to the assets of Lessee or the
assets of any Person who succeeds to the rights of Lessee hereunder, and not to any of Lessee's partners, Affiliates, members, principals or employees for performance or satisfaction of any of Lessee's Obligations hereunder, including any judgment relating thereto.

#### ARTICLE 14

# SURRENDER OF STADIUM AND ADJACENT IMPROVEMENTS

14.1 <u>General</u>. Upon the expiration or termination of this Lease (by lapse of time or otherwise) Lessee shall peaceably deliver up and surrender the Stadium Land, the Stadium, the Adjacent Land and the Adjacent Improvements to the District in good order and repair, except for ordinary wear and tear, and except as otherwise provided in this Lease; <u>provided</u>, <u>however</u>, that nothing contained herein shall be construed as an obligation by Lessee to repair the Stadium or any Adjacent Improvement prior to such surrender except to the extent that such an Obligation is expressly imposed upon Lessee by this Lease. Lessee shall surrender to District all keys for the Stadium and all Adjacent Improvements at the place then fixed for the receipt of notices by District, and shall notify District in writing of all combinations of locks, safes and vaults, if any, permanently installed and remaining in place. Lessee's obligations to observe and perform the covenants set forth in this Article 14 shall survive the expiration of the Term or earlier termination of this Lease (by lapse of time or otherwise).

14.2 <u>Lessee's Property</u>. Upon the expiration of the Term or earlier termination of this Lease (by lapse of time or otherwise), Lessee may remove all personal property and trade fixtures ("<u>Lessee's Property</u>") which are owned by Lessee and, in such event, Lessee shall repair at Lessee's expense any damage caused to the Stadium or any Adjacent Improvement by the removal of the Lessee's Property. If Lessee fails to remove any of Lessee's Property, such Lessee's Property shall be abandoned by Lessee. District may, at its option, (a) cause Lessee's Property which is abandoned to be removed at Lessee's expense, (b) sell all or any part of such Lessee's Property at public or private sale, without notice to Lessee, or (c) declare that title to such Lessee's Property shall have passed to the District.

## ARTICLE 15

# DAMAGE TO STADIUM AND CERTAIN ADJACENT IMPROVEMENTS

If any Property Damage shall occur, all proceeds (less the actual cost, fees and expenses, if any, incurred by Lessee in connection with adjustment of the loss) from insurance policies carried pursuant to the requirements of this Lease, or other recoveries for loss to the Stadium occasioned by the damage, destruction or diminution of the Stadium, shall be paid to Lessee, and, subject to any requirements of any leasehold mortgagees, Lessee shall apply such proceeds to promptly restore, repair, replace and rebuild the Stadium and any Adjacent Improvement that is related to the game day experience as nearly as reasonably practicable to its condition immediately prior to such damage or destruction. Such restoration, repairs, replacements, rebuilding or alterations shall be commenced promptly after receipt of the proceeds from insurance policies carried pursuant to the requirements of this Lease and prosecuted with reasonable diligence, unavoidable delays beyond Lessee's reasonable control excepted. During the period of restoration (or such longer period as is reasonably necessary to allow Lessee to make suitable alternate arrangements) Lessee shall have the right to use an alternate site for Stadium Events.

# ARTICLE 16

# MAINTENANCE OF GOOD STANDING IN MLS

As long as Lessee is a tenant of the Stadium pursuant to this Lease, Lessee shall cause Team Operator to agree to remain in good standing as a professional soccer team of the MLS.

#### ARTICLE 17

## ENVIRONMENTAL MATTERS

17.1 Covenants. Lessee shall comply with the following covenants:

(a) From and after the Possession Date, and any other time during which Lessee uses or is in possession of the Stadium and the Adjacent Improvements, Lessee shall not permit: (i) any Hazardous Substance, except products or substances used in compliance with applicable law in the ordinary course of Lessee's business (including the construction and operation of the Stadium and the Adjacent Improvements) to be brought, taken, transported, handled, manufactured, refined, treated, stored, used, generated, emitted, released, discharged or disposed of upon, about, beneath or from the Stadium, the Adjacent Improvements, the Adjacent Land or the Stadium Land, (ii) any violation of any Environmental Law in connection with the Stadium, the Adjacent Improvements, the Adjacent Land or the Stadium Land; or (iii) any lien or other encumbrance with respect to the Stadium, the Adjacent Improvements, the Adjacent Land or the Stadium Land to be imposed pursuant to Section 107(f) of the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. Section 9607(1), or any similar statute.

(b) Lessee shall obtain and maintain (or cause to be obtained and maintained) in full force and effect and comply with all permits and licenses required under any Environmental Law in connection with any use of or activity in the Stadium or the Adjacent Improvements, or on the Adjacent Land or the Stadium Land.

## ARTICLE 18

#### ASSIGNMENTS

18.1 <u>Assignment or Sublease by Lessee of Stadium or Stadium Land</u>. Until the Completion Date, any assignment, transfer or sublease by Lessee of the Stadium or the Stadium Land shall be governed by Article XI of the Development Agreement. From and after the Completion Date, except as otherwise expressly set forth in this Article 18 and Section 25.6, Lessee shall not assign, transfer or sublease all, or substantially all, of the leasehold estate created by this Lease and/or the Stadium and/or the Stadium Land, with or without consideration, to any Person, without the prior written consent of District, which consent shall not be unreasonably withheld, conditioned or delayed. District shall be entitled to require, except as otherwise provided in this Article 18 and Section 25.6, as conditions to its consent to an assignment, transfer or sublease of all, or substantially all, of the leasehold estate created by this Lease, of the Stadium Land and/or of the Stadium, that:

(a) Any proposed transferee or sublessee shall have the qualifications and financial responsibility, as reasonably determined by District, necessary and adequate to fulfill the Obligations undertaken in this Lease by Lessee;

Any proposed transferee or sublessee, by instrument in writing satisfactory to (b) District and in form recordable among the land records of the District of Columbia, shall, for itself and its successors and assigns, and expressly for the benefit of District, have expressly assumed all of the Obligations of Lessee under this Lease and agreed to be subject to all the conditions and restrictions to which Lessee is subject; provided, however, that if any transferee of, or any other successor in interest whatsoever to, the leasehold estate of Lessee in the Stadium Land created under this Lease, or any part thereof, shall, whatever the reason, have failed to assume or to agree to assume such Obligations, conditions or restrictions, that fact shall not (unless and only to the extent otherwise specifically provided in this Article 18 and Section 25.6 or agreed to in writing by District) relieve or except such transferee or successor of or from such Obligations, conditions, or restrictions, or deprive or limit District of or with respect to any of its rights, remedies or controls with respect to the leasehold estate in the Stadium or the Stadium Land; it being the intent of this, together with other provisions of this Lease, that (to the fullest extent permitted by law and equity and excepting only in the manner and to the extent specifically provided otherwise in this Article 18 and Section 25.6) no transfer of, or change with respect to, ownership in the leasehold estate in the Stadium or the Stadium Land or any part thereof, or interest therein, however consummated or occurring, and whether voluntary or involuntary, shall operate, legally or practically, to deprive or limit District of or with respect to any rights, remedies or controls provided in or resulting from this Lease with respect to the leasehold estate in the Stadium Land and the Stadium that District would have had, had there been no such transfer or change; and

(c) There shall be submitted to District all instruments and other legal documents involved in effecting any such transfer.

Notwithstanding the foregoing, an assignment, transfer or sublease may be made without District's consent if (a) the proposed assignee or sublessee (or an Affiliate of such assignee or sublessee) shall have acquired the right to operate the DC United, in accordance with all Rules and Regulations (or shall have acquired the legal right to require Team Operator to cause Lessee to satisfy the requirements contained in this Lease); and (b) in the event of an assignment, the assignee shall assume all of Lessee's Obligations under this Lease and agree to be bound by this Lease, and, in the event of a sublease, the sublessee shall agree to be bound by, and to perform, all of Lessee's Obligations under this Lease in accordance with this Section 18.1, the liability of Lessee shall cease with respect to liabilities accruing from and after the effective date of such assignment. Lessee shall use its best efforts to provide not less than thirty (30) days prior written notice to District of any such assignment, transfer or sublease; provided, however, that failure to give such notice shall in no way affect the validity of such assignment, transfer or sublease. Nothing in this Section 18.1 shall prevent or preclude Lessee from (and Lessee shall not be required to give notice prior to) granting a security interest and lien to any Person, subject to

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District's rights hereunder, with respect to Lessee's estates and interests created by, or existing pursuant to, this Lease and all documents relating thereto, or with respect to the rents, issues, and profits inuring or to inure to Lessee hereunder. Notwithstanding any provision of this Lease to the contrary, any assignment, transfer or sublease of all, or substantially all, of the leasehold estate created by this Lease, of the Stadium Land and/or of the Stadium shall comply with the requirements specified in Section 28.15(b).

18.2 <u>Sublease by Lessee of Adjacent Land and/or Adjacent Improvements</u>. Until the Rent Commencement Date, any sublease by Lessee of the Adjacent Land and/or any Adjacent Improvements shall be governed by Article XI of the Development Agreement. From and after the Rent Commencement Date, notwithstanding anything to the contrary contained in this Lease, Lessee shall have the right at any time or times during the Term to enter into subleases, other than to Affiliates, of all or part of the Adjacent Land and/or the Adjacent Improvements, without the consent of, but with notice to, the District for terms not ending not later than the end of the Term. Lessee shall promptly provide the District with a copy of any sublease entered into pursuant to this Section. Any sublease to an Affiliate of Lessee shall require the District's consent. Any assignment, transfer or sublease of all, or any portion, of the leasehold estate created by this Lease, of the Adjacent Land and/or of the Adjacent Improvements shall comply with all applicable requirements specified in Section 28.15(b).

# 18.3 <u>Restructuring of Lessee</u>.

(a) Lessee may cause the assets of Lessee to be contributed or otherwise transferred to a corporation, limited liability company, partnership or other entity which is an Affiliate of Lessee as constituted immediately prior to said transaction, and to assign this Lease in connection with any such transfer, without District's consent, provided that Lessee shall promptly notify District of any such transaction and deliver to District a copy of the instrument whereby the assignee assumes and agrees to perform all Obligations of Lessee under this Lease.

(b) Lessee shall promptly notify District of any change in the ownership, or any other act or transaction, resulting in a change of control of the Lessee.

18.4 <u>Assignment by District</u>. District shall not have the right to assign, delegate, pledge or transfer its rights or Obligations under or its interest in this Lease (or increase burdens on Lessee under this Lease, diminish Lessee's rights under this Lease, increase rights of District under this Lease, or decrease the Obligations of District under this Lease), in whole or in part.

18.5 <u>Assignees</u>. Upon any assignment or sublease pursuant to this Article 18, Lessee and any such assignee or sublessee, in addition to any other consideration that may pass between them in connection therewith, shall be deemed to have covenanted not to make any further assignment or sublease contrary to the provisions of this Article 18. If any assignee of this Lease is not a limited liability company, the representations and warranties by Lessee set forth in Article 18 shall be appropriately modified to take into account the nature of the assignee.

# ARTICLE 19

# **EMINENT DOMAIN**

19.1 <u>Termination for Condemnation</u>. In the event of Condemnation of the whole or any material part of the Stadium, except as set forth in Section 19.4, Lessee shall have the right to terminate this Lease as of the date stated by Lessee in a notice delivered to District prior to the first anniversary of the Condemnation. If this Lease shall terminate pursuant to the provisions of this Section 19.1, all rights, obligations and liabilities of the parties hereto shall end as of the date stated by Lessee, without prejudice to any rights of the parties which have accrued prior to the effective date of such termination. Notwithstanding the foregoing sentence, if this Lease terminates because of a Condemnation, regardless of whether the Lease terminates pursuant to the provisions of this Section 19.1 or as a matter of law, this Article 19 shall survive such termination and the rights and duties of the parties to this Lease shall be as set forth in this Article 19.

# 19.2 Allocation of Award.

In the event the Land, the Stadium, the Adjacent Improvements or any part thereof (a) shall be acquired by Condemnation, Lessee shall be entitled to receive, and there shall be paid to Lessee, the portion of any award for or on account of such Condemnation which is attributable to Lessee's ownership of the Stadium and the Adjacent Improvements and leasehold interest in the Land, and District shall be entitled to, and there shall be paid to District, the portion of any award for or on account of such Condemnation which is attributable to District's fee simple interest in the Land; provided, however, that (i) if this Lease is terminated pursuant to Section 19.1 and the portion of the award attributable to the Stadium is insufficient to repay Lessee's leasehold loans relating to the construction of the Stadium, then Lessee shall be entitled to receive, and the District shall pay to Lessee, the portion of the award attributable to the District's fee simple interest in the Land to the extent necessary to repay such loans, and (ii) if this Lease is not terminated pursuant to Section 19.1 and the portion of the award attributable to the Stadium is insufficient to restore the Stadium to substantially similar character and economic feasibility in all material respects to the Stadium immediately prior to the Condemnation, then Lessee shall be entitled to receive, and District shall pay to Lessee, the portion of the award attributable to District fee simple interest in the Land to the extent necessary to so restore the Stadium.

(b) Lessee shall have the right to be represented by counsel of its choosing in any Condemnation proceedings.

19.3 <u>Adjustment of Rent and Public Charges if Property Is Partially Condemned</u>. In the event a part of the Land shall be acquired by Condemnation and this Lease is not terminated pursuant to Section 19.1, then the Real Estate Taxes and the Public Charges in respect of the affected part of the Land shall be prorated and paid by Lessee for the period ending on the effective date of the Condemnation and Rent shall be equitably adjusted.

19.4 <u>Temporary Condemnation</u>. This Lease shall not terminate by reason of a temporary Condemnation of the Land, the Adjacent Improvements or the Stadium, or any part thereof, for public use, except as provided in this Section 19.4. In the event of such a temporary

Condemnation, the rights and Obligations of the parties under this Lease shall continue in full force and effect, except that:

(a) any award for such temporary Condemnation, which is attributable to Lessee's ownership of the Stadium and the Adjacent Improvements and leasehold interest created by this Lease or to District's interest in the Land, shall be paid to Lessee.

(b) upon the termination of such temporary Condemnation, Lessee shall restore the affected portion of the Land and/or the Stadium and the Adjacent Improvements to a state substantially equivalent to that which the same was in immediately prior to such temporary Condemnation; and

(c) during any period of a temporary Condemnation (or such longer period as is reasonably necessary to allow Lessee to make suitable alternate arrangements), Lessee shall not be required to perform its Obligations hereunder (including its Obligations under Section 8.2) and shall be entitled to make arrangements for an alternate site for Stadium Events.

Notwithstanding the foregoing, Lessee shall have the right to terminate this Lease as of the last day of any calendar month after the date of a temporary Condemnation of the Stadium that renders the Stadium unable to be used for Games if the remaining period (measured as of the date on which Lessee's termination of this Lease is to be effective) of such temporary Condemnation is reasonably anticipated by Lessee to be more than one hundred twenty (120) days during the Season, or a total of one hundred eighty (180) days at any time, as the case may be.

# ARTICLE 20

# COMPLIANCE WITH LEGAL REQUIREMENTS

Lessee shall operate the Stadium and construct and operate the Adjacent Improvements in compliance with (i) all applicable federal and District of Columbia laws, statutes, ordinances, regulations and rules, including the Americans with Disabilities Act of 1990, as amended (codified at 42 U.S.C. Sections 12.101-12.213 and 47 U.S.C. Sections 225, 611), the Human Rights Act of the District of Columbia, as amended (codified at §2-1401.01 et seq. of the District of Columbia Code), the First Source Employment Act of the District of Columbia, as amended (codified at § 2-219.01 et seq. of the District of Columbia Code)(the "First Source Act"), and the Small, Local, and Disadvantaged Business Development and Assistance Act of the District of Columbia (codified at § 2-218.01 et seq. of the District of Columbia Code)(the "CBE Act"); and (ii) each of the following as amended from time to time: (A) the First Source Employment Agreement with the District of Columbia Department of Employment Services, a copy of which shall be attached hereto as Exhibit E (the "Employment Agreement"), (B) a Memorandum of Understanding with the District of Columbia Department of Small and Local Business Development, a copy of which shall be attached hereto as Exhibit F (the "Memorandum of Understanding") and (C) the Labor Peace Agreement. In the event that it is determined that an Event of Non-compliance has occurred and is continuing with respect to the Lessee under any of the District Agreements, the District may seek enforcement of any right under the applicable District Agreement and seek any available administrative, legal or equitable remedy to obtain specific performance or other relief thereunder; <u>provided</u>, <u>however</u>, that the occurrence of an Event of Non-compliance shall not be a Lessee Default under Section 13.1 of this Lease.

## ARTICLE 21

#### EXTERIOR SIGNAGE

Subject to the limitations imposed by applicable law and regulations, Lessee may design and erect on the outside of the Stadium and on the outside of the Adjacent Improvements, at its own expense all legally permitted signage.

#### ARTICLE 22

#### CONDITIONS

Lessee's Obligation to commence paying Rent hereunder is conditioned upon the attainment of the Rent Commencement Date.

#### ARTICLE 23

## **REPRESENTATIONS AND COVENANTS OF LESSEE**

Lessee represents and warrants as follows, as of the date hereof and at all times from and after the date hereof until the expiration or termination of this Lease:

23.1 <u>Valid Existence</u>. Lessee is duly organized, validly existing, and in good standing under the laws of the State of its formation and is qualified to do business in and in good standing in the District of Columbia. Lessee has full organizational power to own its property and conduct its business as presently conducted.

23.2 <u>Power; No Limitation on Ability to Perform</u>. Lessee has full organizational power and authority to execute and deliver this Lease and to perform all of its Obligations under this Lease. None of Lessee's organic documents nor any applicable law by which Lessee or any of its assets is bound, prohibits Lessee from entering into, or performing its Obligations to be performed under, this Lease and each document, agreement and instrument executed and to be executed by Lessee in connection herewith and all transactions contemplated hereby and thereby. Lessee needs no consents, authorizations or approvals or other actions which have not been duly given, and is not required to give notices or make filings with any governmental authority, regulatory body or other Person in connection with the execution and delivery of this Lease or any other agreement, document or instrument executed and delivered by Lessee in connection herewith which have not been duly given or filed.

23.3 <u>Valid Execution</u>. The execution and delivery of this Lease by Lessee has been duly and validly authorized by all necessary organizational action on behalf of Lessee. This Lease and all other agreements, documents and instruments executed and delivered by Lessee in connection herewith are, and each other agreement, document or instrument to be executed and delivered by Lessee in connection herewith when executed and delivered on behalf of Lessee will be, valid and binding obligations of Lessee.

23.4 <u>Defaults</u>. The execution, delivery and performance of this Lease and of each agreement, document and instrument executed and delivered by Lessee in connection herewith do not and will not violate or result in a violation of, contravene or conflict with, or constitute a default under, (i) any agreement, document or instrument to which Lessee is a party, (ii) any law, statute, ordinance or regulation applicable to Lessee, (iii) the organic documents of Lessee, or (iv) the Rules and Regulations. All MLS approvals required to be obtained by the Team Operator and/or Lessee in connection with the entering into and performance of this Lease as of the date hereof having been obtained.

23.5 <u>Financial Capacity and Notices of Default Under Leasehold Mortgages</u>. Lessee will, as of September 1, 2015, have sufficient net worth to perform its obligations under this Lease and the Development Agreement, except that Lessee intends to obtain financing and must consummate such financing in order to construct the Stadium and the Adjacent Improvements and perform its other obligations under this Lease and the Development Agreement. Lessee shall inform the District in writing, not later than thirty (30) Business Days, following any material adverse change in its financial condition that would prevent Lessee from performing its obligations under this Lease and the Development. Lessee shall provide District with a copy of any written notice of default received from any leasehold mortgagee promptly following receipt thereof.

23.6 <u>Sole Purpose Nature</u>. Lessee has not conducted and is not conducting and will not conduct any business other than the development, financing, construction, use, subleasing, licensing, operation and maintenance of the Stadium and the Adjacent Improvements. Lessee will be, as of the Possession Date, a Bankruptcy Remote Entity.

23.7 <u>Name</u>. Lessee shall cause the Term Operator at all times to retain the term "DC" or "District" as part of the name of DC United.

23.8 <u>Content Limitation</u>. Lessee shall not permit within the Stadium any advertisement, sponsorship or other promotional activities, including signage, displays or performances, which (a) promote the use or sale of tobacco products, (b) constitute so-called "adult entertainment," (c) promote a lottery as to which the District is not a financial beneficiary, (d) constitute unregulated gambling, or (e) is contrary to any Mayor's Order, regulation or law.

# ARTICLE 24

# **REPRESENTATIONS BY DISTRICT**

District represents and warrants as follows:

24.1 <u>Valid Existence</u>. As of the date hereof and as of the Possession Date, the District is a body corporate of perpetual duration.

24.2 <u>Power; No Limitation on Ability to Perform</u>. As of the Possession Date, the District has full power and authority to execute and deliver this Lease and to perform all of its Obligations under this Lease. No agreement, instrument or law by which District or any of its assets are bound, prohibit District from entering into, or performing its Obligations to be performed under, this Lease and each document, agreement and instrument executed and to be executed by District in connection herewith, and all transactions contemplated hereby and thereby, District needs no consent, authorization, approval or other action which has not been duly obtained, and is not required to give any notice which has not been duly given or make filings with any governmental authority, regulatory body or other Person in connection with its execution and delivery of this Lease or any other agreement, document or instrument executed and delivered by District in connection herewith which have not been duly filed.

24.3 <u>Valid Execution</u>. As of the Possession Date, the execution and delivery of this Lease by District has been duly and validly authorized by all necessary action on behalf of District. This Lease and all other agreements, documents and instruments executed and delivered by District in connection herewith are valid and binding obligations of the District.

24.4 <u>Defaults</u>. As of the Possession Date, the execution, delivery and performance of this Lease and each agreement, document and instrument executed and delivered and to be executed and delivered by District in connection herewith (a) do not and will not violate or result in a violation of, contravene or conflict with, or constitute a default under, (i) any agreement, document or instrument to which District is a party, (ii) any law, statute, ordinance or regulation applicable to District, and (b) do not and will not result in the creation or imposition of any lien or other encumbrance upon the Land.

# ARTICLE 25

# PRIORITY OF LEASE; NONDISTURBANCE

25.1 <u>Priority of Lease</u>. All rights of the District hereunder shall be prior to any leasehold deeds of trust, collateral assignments and other documents executed by Lessee in connection therewith securing leasehold loans now or hereafter encumbering all or any part of the Land, such that it shall be treated as an "unsubordinated fee".

25.2 <u>Protection of Concessionaires</u>. District hereby covenants and agrees that in the event this Lease is terminated, District will not disturb the rights of any Concessionaire of the Stadium so long as such Concessionaire complies with all of the material terms of its concessions contract, and District, in the exercise of its rights or remedies under this Lease, shall not deprive any Concessionaire of possession or occupancy, or the right of possession or occupancy, of the concession areas and facilities during the term of its concession contract or join any such Concessionaire as a party in any action or proceeding to enforce or terminate this Lease or obtain possession of the concession areas and facilities for any reason. The provisions of this Section 25.2 shall be self-executing but District, upon request by Lessee or any Concessionaire, agree to execute additional documentation to effectuate the provisions of this Section 25.2. The Lessee hereby collaterally assigns to the District all concessionaire agreements so that if this Lease is terminated as to the Stadium and the District becomes a lessor-in-possession, it shall, subject to

any applicable intercreditor agreement, be entitled to collect any amounts due from the Concessionaires thereunder and to enforce the terms of a concessionaire agreement in the event of a default by a Concessionaire.

Protection of Licensees. District hereby covenants and agrees that in the event this 25.3 Lease is terminated, (a) District will not disturb the rights of (i) any organized sports team holding a sublease or license from Lessee that is not then an Affiliate of the Lessee under which said team plays substantially all of its home games at the Stadium (each, and its respective successors and assigns, a "Team Licensee") or (ii) MLS if it exercises its rights under Section 25.6(m), so long as, with respect to any Team Licensee, such Team Licensee complies with all of the material terms of its sublease or license, and (b) District in the exercise of its rights and remedies under this Lease shall not deprive any Team Licensee or MLS of possession or occupancy, or the right of possession or occupancy, of the area of the Stadium covered by its sublease or license during the term thereof or join any Team Licensee or MLS as a party in any action or proceeding to enforce or terminate this Lease or obtain possession of said area for any reason. The provisions of this Section 25.3 shall be self-executing but District, upon request by Lessee, any Team Licensee or MLS, agrees to execute additional documentation to effectuate the provisions of this Section 25.3. The Lessee hereby collaterally assigns to the District all Team Licensee agreements so that if this Lease is terminated as to the Stadium and the District becomes a lessor-in-possession, it shall, subject to any applicable intercreditor agreement, be entitled to collect any amounts due from the Team Licensee thereunder and to enforce the terms of a Team License agreement in the event of a default by the Team Licensee.

Protection of Sublessees. District hereby covenants and agrees that in the event 25.4 this Lease is terminated, District will not disturb the rights of any sublessee or licensee hereunder, so long as such sublessee or licensee complies with all of the material terms of its sublease or license, and District in the exercise of its rights and remedies under this Lease shall not deprive any such sublessee or licensee of possession or occupancy, or the right of possession or occupancy, of the area of the Stadium or the Adjacent Improvements or of the Land covered by its sublease or license during the term thereof or join any such sublessee or licensee as a party in any action or proceeding to enforce or terminate this Lease or obtain possession of said area for any reason. The provisions of this Section 25.4 shall be self-executing but District, upon request by Lessee or any sublessee or licensee, agree to execute additional documentation to effectuate the provisions of this Section 25.4. The Lessee hereby collaterally assigns to the District all sublessee agreements so that if this Lease is terminated as to the Stadium and the District becomes a lessor-in-possession, it shall, subject to any applicable intercreditor agreement, be entitled to collect any amounts due from the Sublessees thereunder and to enforce the terms of a sublessee agreement in the event of a default by a sublessee.

25.5 <u>Protection of Stadium Advertisers</u>. District hereby covenants and agrees that in the event this Lease is terminated, District will not disturb the rights of any Stadium Advertiser who has an advertising contract so long as such Stadium Advertiser complies with all of the material terms of its advertising contract, and District, in the exercise of its rights and remedies under this Lease, shall not deprive any Stadium Advertiser of any advertising in the Stadium to which it is entitled under the terms of its advertising contract. The provisions of this Section 25.4 shall be self-executing, but District, upon request by Lessee or such Stadium Advertiser, agree to execute

additional documentation to effectuate the provisions of this Section 25.5. The Lessee hereby collaterally assigns to the District all Stadium Advertiser advertising agreements so that if this Lease is terminated as to the Stadium and the District becomes a lessor-in-possession, it shall, subject to any applicable intercreditor agreement, be entitled to collect any amounts due from the Stadium Advertisers thereunder and to enforce the terms of an advertising agreement in the event of a default by a Stadium Advertiser.

# 25.6 Protection of Leasehold Mortgagees and MLS.

(a) Lessee shall have the right from time to time and without District's consent to mortgage or otherwise encumber this Lease or the interest of Lessee hereunder, in whole or in part, by leasehold deeds of trust, and to assign, hypothecate or pledge the same to leasehold mortgagees as security for any debt.

(b) The granting of leasehold deeds of trust against (i) the Stadium Land, (ii) the Stadium, (iii) the Adjacent Land, and/or (iv) the Adjacent Improvements, or the exercise of any rights of the leasehold mortgagees under such leasehold deeds of trust shall not operate to make the leasehold mortgagee thereunder liable for performance of any of the covenants or Obligations of Lessee under this Lease. Any such leasehold deeds of trust may be increased by additional leasehold deeds of trust and agreements consolidating the liens of such deeds of trust. Any such leasehold deeds of trust may be permanent or temporary and may be replaced, extended, increased, refinanced, modified, consolidated or renewed. In any and all events any such leasehold deeds of trust shall not encumber the fee estate of the District and any leasehold deeds of trust shall be subject to the provisions of this Lease. In no event shall a leasehold mortgage be granted to a Disqualified Person.

As to any such leasehold deeds of trust, District consents to a provision therein, at (c) the option of the leasehold mortgagee and to the extent agreed by Lessee, (i) for an absolute or conditional assignment to the leasehold mortgagee of amounts, including license payments, rents, subrents, Concessionaire's payments and advertising payments, due or to become due, (ii) for an assignment to the leasehold mortgagee of Lessee's share of the net proceeds from any award or other compensation resulting from a total or partial Condemnation as set forth in Article 19 of this Lease, (iii) for an assignment and conveyance to the leasehold mortgagee of Lessee's right, title and interest in and to the Stadium Land and/or the Adjacent Land, subject to the rights of the District therein upon expiration of the Term or earlier termination of this Lease (whether by lapse of time or otherwise), (iv) for the entry by the leasehold mortgagee into the Stadium during business hours, without notice to District or Lessee, to view the state of the Stadium and/or the Adjacent Improvements, (v) that a default by Lessee under this Lease shall constitute a default under the leasehold deed of trust, (vi) for an assignment to the leasehold mortgagee of Lessee's right, if any, to terminate, cancel, modify, change, supplement, alter or amend the Lease, (vii) for an assignment to the leasehold mortgagee of the ownership interests in Lessee and Lessee's Affiliates owned by Lessee's partners, and (viii) effective upon any default in any such leasehold deed of trust, (A) for the foreclosure of the leasehold deed of trust pursuant to a power of sale, by judicial proceedings or other lawful means and the subsequent sale of the leasehold estate to the purchaser at the foreclosure sale and a sale by such purchaser and/or a sale by any subsequent purchaser, (B) for the appointment of a receiver, irrespective of whether the leasehold mortgagee

accelerates the maturity of all indebtedness secured by the leasehold deed of trust, (C) for the right of the leasehold mortgagee or the receiver to enter and take possession of the Stadium and/or the Adjacent Improvements, to manage and operate the same and to collect the license payments, rents, subrents, Concessionaire's payments and advertising payments, issues and profits therefrom and to cure any default under the leasehold deed of trust or any Lessee Default, and (D) for an assignment of Lessee's right, title and interest in and to the premiums for or dividends upon any insurance provided for the benefit of any leasehold mortgagee or required by the terms of this Lease, as well as in all refunds or rebates of Public Charges upon or other charges against the Stadium Land, the Adjacent Land, the Adjacent Improvements and/or the Stadium, whether paid or to be paid.

(d) A written notice specifying the name and address of the leasehold mortgagees to which notices shall be sent shall be delivered to District. For the benefit of any leasehold mortgagees who shall have become entitled to notice as provided in Section 25.6(e), District agrees not to accept a voluntary surrender, termination or modification of this Lease at any time while such leasehold deeds of trust shall remain a lien on Lessee's leasehold estate. District and Lessee agree for the benefit of any such leasehold mortgagee that, so long as any such leasehold deed of trust shall remain a lien on Lessee's leasehold estate. District and Lessee will not subordinate this Lease to any deed of trust which may hereafter be placed on the fee of the Stadium Land and/or the Adjacent Land, or amend or alter any terms or provisions of this Lease without securing the written consent thereto of such leasehold mortgagees. No sale or transfer of the Stadium Land, the Adjacent Land, or any part thereof shall terminate this Lease by merger or otherwise so long as the lien of any leasehold deed of trust remains undischarged.

No notice of a Lessee Default shall be deemed to have been given by District to (e) Lessee unless and until a copy thereof shall have been so given (by personal delivery or by certified or registered mail, return receipt requested) to MLS and to each leasehold mortgagee of whom District has been notified (by delivery to District of the notice described in Section 25.6(d) prior to District's issuance of such notice of default). Lessee irrevocably directs that District accept, and District agrees to accept, performance and compliance by MLS or by any such leasehold mortgagee of and with any of the terms of this Lease with the same force and effect as though kept, observed or performed by Lessee and any such performance and compliance shall cause any prior termination or purported termination of this Lease to be withdrawn and void ab *initio*. Nothing contained herein shall be construed as imposing any obligation upon MLS or upon any leasehold mortgagee to so perform or comply on behalf of Lessee. In the event that Lessee receives notice from District of a Lessee Default and such Lessee Default is not cured by Lessee pursuant to the provisions of this Lease, District shall, prior to commencing any judicial proceedings, including summary dispossess proceedings, or taking any other action to obtain possession of the Stadium Land, the Adjacent Land, the Adjacent Improvements and/or the Stadium, in addition to giving the notice to MLS and to each leasehold mortgagee provided pursuant to the first sentence of this Section 25.6(e), give a second notice of the failure to cure on the part of Lessee to MLS and to each leasehold mortgagee at the expiration of the period within which Lessee may cure as set forth in this Lease, and MLS or any leasehold mortgagee may proceed to cure any such failure. In the event that breach or default on the part of Lessee arises by virtue of a failure to pay Rent, or Public Charges when due, and such breach is not cured by Lessee pursuant to the provisions of this Lease, MLS or any leasehold mortgagee may cure such breach by

payment thereof, with interest thereon at the Interest Rate, within thirty (30) days after the receipt of the second notice herein set forth.

(f) A leasehold mortgagee shall have the unrestricted right to take this Lease by assignment in lieu of foreclosure and to sell it either after foreclosure or after taking the assignment, all without the consent of District.

(g) Each of MLS and any leasehold mortgagee may, at its option (but shall have no obligation to), do any act or thing necessary and proper hereunder to prevent such termination of this Lease, and any act or thing so done shall be as effective to prevent such termination of Lessee's rights hereunder as if done by Lessee, and such leasehold deed of trust may provide that, as between any such leasehold mortgagee and Lessee, such leasehold mortgagee on making good any Lessee Default shall thereby be subrogated to any and all rights of Lessee under the provisions of this Lease.

(h) Any party, including MLS or a leasehold mortgagee or the assignee or designee of such leasehold mortgagee, that becomes the owner of or acquires any interest in this Lease pursuant to foreclosure and sale or by assignment, may sell, assign, transfer or otherwise dispose of this Lease or such new lease or its interest in this Lease or in such new lease without the necessity of obtaining the prior consent of District.

(i) Any right or remedy which is expressly granted in this Lease allowing Lessee to terminate this Lease shall be conditioned on the approval by MLS and all leasehold mortgagees of such termination.

(j) In order to enable Lessee to secure financing for the purchase of fixtures, equipment, and other personalty to be located on the Stadium Land and or the Adjacent Land or in the Stadium and or the Adjacent Improvements, whether by security agreement and financing statement, chattel mortgage or other form of security instrument, District will from time to time, upon request, execute and deliver a waiver of its "landlord's" or other statutory or common law liens securing payment of Rent or performance of Lessee's other covenants under this Lease.

(k) If this Lease is rejected, in connection with any proceedings brought under the present or any future Federal Bankruptcy Code or any similar law or statute of the United States or any State thereof, by Lessee or a trustee in bankruptcy for Lessee, such rejection shall be deemed an assignment by Lessee to the leasehold mortgagee (or if there is more than one leasehold mortgagee, to the one whose lien is highest in priority) of Lessee's entire interest in this Lease, and this Lease shall not terminate and the leasehold mortgagee shall have all of the rights of the leasehold mortgagee under this Article 25 as if such bankruptcy proceeding had not occurred, unless such leasehold mortgagee shall reject such deemed assignment by notice in writing to District within thirty (30) days following rejection of this Lease by Lessee or Lessee's trustee in bankruptcy. If the leasehold mortgagee shall reject the deemed assignment within the aforesaid thirty (30) day period, or if any court of competent jurisdiction shall determine that this Lease shall have been terminated notwithstanding the provisions of the preceding sentence as a result of a rejection by Lessee or the trustee in connection with any such proceeding, the rights of any

leasehold mortgagee to a new lease from District pursuant to Section 25.6(l) shall not be affected thereby.

If this Lease is terminated by reason of a Lessee Default, or by reason of the (1)rejection or disaffirmance of the Lease by Lessee or any trustee in connection with any proceedings brought under the present or any future Federal Bankruptcy Code or any similar law or statute of the United States or any State thereof, or for any other reason, District shall give notice of such termination to MLS and to each leasehold mortgagee under any leasehold deed of trust which at the time constitutes a leasehold mortgage lien on the Land and of which District has received written notice pursuant to Section 25.6(d), and upon written request of MLS or the leasehold mortgagee that holds a first leasehold deed of trust (or if it declines to make such request, then each other leasehold mortgagee, in the order of priority of their respective leasehold deeds of trust, shall have the right to make such request and if both MLS and any leasehold mortgagee make such a request, the request of the applicable leasehold mortgagee shall be treated as superior) made at any time within sixty (60) days of the giving of such notice, and provided all defaults which are capable of being cured by the leasehold mortgagee or MLS, as applicable, shall have been cured within the applicable periods of time above set forth or such additional sixty (60) day period, Landlord shall execute and deliver a new lease to MLS or to said leasehold mortgagee or its nominee, at the same rental and for a term equal to the unexpired portion of the Term of this Lease and otherwise containing the same covenants, conditions, limitations and agreements herein contained, which new lease shall be substituted for and relate back to this Lease in all respects, to the end that as between District and the tenant under such new lease, it shall be as though this Lease had been assigned to and assumed by such new tenant. Simultaneously with the making of any new lease pursuant to this Section 25.6(1), the party obtaining such new lease and all other parties junior in priority of interest in the Land shall execute, acknowledge and deliver such new instruments and shall make such payments and adjustments among themselves as shall be necessary and proper for the purpose of restoring to each of such parties, as nearly as reasonably possible, the respective interest and status with respect to the Land which was possessed by it prior to the termination of this Lease as aforesaid. If any leasehold mortgagee or its designee shall acquire a new lease pursuant to this Section 25.6(1) and if, upon such termination of this Lease, Lessee, but for such termination, would have been entitled to receive any amount pursuant to the provisions of this Lease, then District agrees that the same shall be paid to the lessee under the new lease, in the same manner and to the same extent as it would have been paid if applied to or for the benefit of Lessee if this Lease had not terminated. Nothing herein contained in this Lease shall require MLS or any leasehold mortgagee or its designee, as a condition to its exercise of its right to enter into a new lease pursuant to this Section 25.6(1), to cure any default of Lessee not reasonably susceptible of being cured by such leasehold mortgagee or its designees, in order to comply with the provisions of this Section 25.6(1). If more than one leasehold mortgagee shall request a new lease pursuant to this Section 25.6(1). District shall enter into such new lease with the leasehold mortgagee (or its designee) whose leasehold deed of trust is prior in lien.

(m) The parties agree that in the event (i) of a default or breach of this Lease by Lessee, or (ii) the MLS Operating Agreement is terminated by MLS, then MLS shall have the right (but not the obligation) to assume all of the rights, benefits and obligations of the Lessee pursuant to this Lease by providing written notice to the District at any time within, in the case of clause (i), one hundred eighty (180) days of the date upon which the District would be legally permitted to

terminate this Lease in accordance with its terms or, in the case of clause (ii), ninety (90) days of the termination of the MLS Operating Agreement, and the District shall not attempt to terminate this Lease or exercise any other remedy against Lessee that would prevent Lessee from using or possessing the leasehold estate created under this Lease in accordance with the terms of this Lease until the expiration of the period in clause (i) or (ii), as applicable. The District shall provide MLS with written notice of any event of default or breach hereunder. MLS' step-in period shall, as described in clauses (i) and (ii) above, commence upon its receipt of notice and after conclusion of any cure period available to Lessee. Nothing in this Section 25.6(m) shall limit or restrict the District's right to pursue any remedies that may be available to the District under any other applicable agreement between the District and Lessee.

# ARTICLE 26

## **ESTOPPEL CERTIFICATES**

Each party to this Lease agrees that, at any time and from time to time upon not less than ten (10) Business Days' prior request by any other party to this Lease or any leasehold mortgagee, it will execute, acknowledge and deliver to the requesting party a statement in writing certifying (a) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that the same are in full force and effect as modified and identifying the modifications), (b) the dates to which the Rent and other charges have been paid, and (c) that, so far as it knows, the requesting party (or the Lessee in the case of a request by a leasehold mortgagee) is not in default under any provisions of this Lease or, if there has been a default or defaults, the nature of said default or defaults.

### ARTICLE 27

# EMPLOYMENT OF DISTRICT RESIDENTS AND UTILIZATION OF CBES

27.1 <u>First Source</u>. Unless the First Source Act requires a higher percentage, from and after the Completion Date, at least fifty-one percent (51%) of the jobs at the Stadium (ticket takers, guest services, ushers, food service, etc.) will be held by District residents. In determining the total number of jobs at the Stadium for purposes of this Section, DC United's players, senior coaches, senior training staff and front office management shall not be included. The parties agree that the foregoing shall be incorporated into the Employment Agreement. From and after the Rent Commencement Date, Lessee shall submit such reports as the District may from time-to-time require regarding the employment of District residents at the Stadium in accordance with this Section.

27.2 <u>CBEs</u>. Unless the CBE Act requires a greater percentage and subject to all applicable requirements of the First Source Act and its implementing regulations, Lessee shall use its best efforts to award at least thirty-five percent (35%) by value of all operational contracts for the Stadium (i.e., janitorial, food service, security, etc.) to CBEs. The parties agree that the foregoing shall be incorporated into the Memorandum of Understanding. From and after the Rent Commencement Date, Lessee shall submit such reports as the District may from time-to-time

require regarding value of contracts awarded to CBEs (generally and by type of certification) in connection with the operation of the Stadium.

## ARTICLE 28

# MISCELLANEOUS

28.1 <u>Amendment; Waiver</u>. No alteration, amendment or modification hereof shall be valid unless set forth in writing by an instrument in recordable form and executed by the parties hereto with the same formality as this Lease, which instrument shall be recorded, at the request of any party, in the land records of the District of Columbia. The failure of Lessee or District to insist in any one or more instances upon the strict performance of any of the covenants, agreements, terms, provisions or conditions of this Lease or to exercise any election herein contained, shall not be construed as a waiver or relinquishment for the future of such covenant, agreement, term, provision, condition, election or option, but the same shall continue and remain in full force and effect. No waiver by Lessee or District of any covenant, agreement, term, provision or condition behalf of Lessee or District. The payment by any party to this Lease of sums due and payable hereunder, with knowledge of the breach of any covenant, agreement, term, provision or condition herein contained, shall not be deemed to have been made unless expressed in writing and signed by an appropriate official on behalf of Lessee or District. The payment by any party to this Lease of sums due and payable hereunder, with knowledge of the breach of any covenant, agreement, term, provision or condition herein contained, shall not be deemed a waiver of such breach.

28.2 <u>Consent</u>. Unless otherwise specifically provided herein, no consent or approval by Lessee or District permitted or required under the terms of this Lease shall be of any validity whatsoever unless the same shall be in writing, signed by the party by whom or on whose behalf such consent is given.

28.3 <u>Severability</u>. Save and excepting Article 29, if any article, section, subsection, term or provision of this Lease or the application thereof to any party or circumstance shall, to any extent, be held invalid or unenforceable, the remainder of the article, section, subsection, term or provision of this Lease or the application of the same other than such applications as are held invalid or unenforceable shall not be affected thereby and each remaining article, section, subsection, subsection, term or provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

28.4 <u>Covenant of Quiet Enjoyment</u>. District covenants that if, and so long as, Lessee keeps and performs each and every covenant, agreement, term, provision and condition of this Lease on the part and on behalf of Lessee to be kept and performed, Lessee shall quietly enjoy its rights under this Lease without hindrance or molestation by District or any other Person, subject to the covenants, agreements, terms, provisions and conditions of this Lease and Permitted Encumbrances. All covenants contained in this Lease shall be deemed dependent covenants, such that the failure of one party to perform a covenant hereunder shall relieve the other party of its obligations to perform its covenants hereunder.

28.5 <u>Prorations</u>. Any prorations to be made under this Lease shall be computed on the basis of a Rent Year or calendar year, as the case may be, containing three hundred sixty-five (365) days.

28.6 <u>Terms</u>. The singular includes the plural, and vice versa, and the masculine, feminine and neuter adjectives and pronouns include one another to the extent that the context clearly requires.

28.7 <u>Captions</u>. The captions of articles and sections are for convenient reference only and shall not be deemed to limit, construe, affect, modify or alter the meaning of such articles or sections.

28.8 <u>Binding Effect</u>. Each of the provisions of this Lease shall be binding upon and inure to the benefit of District and Lessee, and their respective permitted successors and assigns.

28.9 <u>Lease Contains All Terms</u>. All of the representations, agreements, understandings and obligations of the parties are contained herein and in the Exhibits attached hereto and in any and all other documents referred to herein and in the Development Agreement. Without limiting the generality of the foregoing, this Lease (including its Exhibits) and the other documents referred to herein supersede in its entirety the Term Sheet dated July 25, 2013 between the District and the Team Operator. District shall not be required to provide any services or any other thing in support of the Stadium or the Adjacent Improvements except as set forth herein or in the Development Agreement or in other agreements or as required by law.

28.10 <u>No Relationship of Parties</u>. Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent, partnership, joint venture or any association between District and Lessee.

28.11 <u>Notices</u>. All notices, demands and requests and other communications required or permitted under this Lease shall be in writing, and shall be deemed to be delivered when actually received or, if earlier and regardless of whether actually received or not, five (5) days after deposit in a regularly maintained receptacle for the United States mail, registered or certified, postage prepaid, or the next Business Day if sent by a nationally recognized overnight courier service, addressed to the addressee as follows:

For District:	The District of Columbia 1350 Pennsylvania Avenue, N.W. Suite 317 Washington, D.C. 20004 Attn: Deputy Mayor for Planning and Economic
With a copy to:	Development Office of the Deputy Mayor for Planning and Economic Development
	1350 Pennsylvania Avenue, N.W. Suite 317 Washington, D.C. 20004 Attn: General Counsel
For Lessee:	DC Stadium LLC

c/o DC United
2400 East Capitol Street, S.E.
Washington, D.C. 20003
Attention: Jason Levien

and to:	DC United
	2400 East Capitol Street, S.E.
	Washington, D.C. 20003
	Attention: Tom Hunt

With a copy to: Arent Fox LLP 1717 K Street, N.W. Washington, D.C. 20036 Attention: Richard A. Newman, Esq.

Any party may from time to time by written notice given to the other parties pursuant to the terms of this Section 28.11 change the address to which notices shall be sent.

28.12 <u>Applicable Law</u>. This Lease has been prepared in the District of Columbia and shall be governed in all respects by the laws of the District of Columbia.

28.13 <u>Cross-References</u>. Any reference in this Lease to a Recital, Section, Article or Exhibit is a reference to a recital, section, article or exhibit, as appropriate, of this Lease, unless otherwise expressly indicated.

# 28.14 Transmittal to Council; Effective Date.

(a) The Parties acknowledge and agree that this Lease shall not become effective unless the following requirements have been satisfied: (i) the Lease is transmitted to the Council no fewer than thirty (30) days before the effective date for the Lease specified in the transmittal letter to the Council; and (ii) the Council does not disapprove this Lease prior to the specified effective date. The date on which the foregoing requirements have been satisfied shall be the Effective Date. This Lease shall be a legally binding agreement, in full force and effect, as of the Effective Date.

(b) Promptly following the Effective Date, the District shall execute and deliver to Lessee a certification regarding the satisfaction of the requirements specified in Section 28.14(a).

(c) If the Council disapproves this Lease, the Parties agree that this Lease and the Development Agreement and the negotiations surrounding them shall not create or give rise to any contractual or other legally enforceable rights, obligations or liabilities of any kind on the part of either the District or Lessee.

(d) The Parties acknowledge that the Original Lease is being amended and restated by this Lease and does not bind the Parties and is and shall be of no force and effect whatsoever.

28.15 <u>Labor Peace Agreement</u>. Notwithstanding any other provision of this Lease or the Development Agreement to the contrary, Lessee covenants and agrees:

(a) To enter into one or more labor peace agreements that conform in content to the requirements set forth in Section 4 of the *District Hotel Development Projects Labor Peace Agreement Act of 2002*, D.C. Law 14-266, (codified at D.C. Official Code § 32-851) with each labor organization that requests a labor peace agreement and which represents, or reasonably might represent, food service or concession workers at the Stadium, workers in any hotel development located on the Adjacent Land, or any group or subgroup of such workers (collectively, the "Labor Peace Agreement" copies of which will be attached at <u>Exhibit K</u>).

(b) to require, as a condition of any assignment, sublease, or transaction of any kind transferring, in whole or in part, any rights under the Development Agreement and/or this Lease to any other entity, that such assignee, sublessee, transferee, or other entity:

(i) Adopt and execute the Labor Peace Agreement entered into by DC Stadium LLC pursuant to paragraph (a) and/or, to enter into a labor peace agreement with any labor organization(s) that represent, or reasonably might represent, workers described in paragraph (a); and

(ii) Require adoption and execution of the Labor Peace Agreement and compliance with the requirements of Section 28.16(a) by any future assignee, sublessee, transferee, or other entity as a condition of any future assignment, sublease, transfer, agreement, or transaction of any kind transferring, in whole or in part, any rights under the Development Agreement or this Lease; and

(iii) To entitle any labor organization that has entered into, or has requested to enter into, a labor peace agreement under paragraph (a) of this Section 28.15 to enforce the obligations described in paragraph (a) and paragraph (b) as a third-party beneficiary of the contractual provisions described therein, by filing a civil action in the Superior Court of the District of Columbia seeking declaratory and other equitable relief.

28.16 <u>Accord and Satisfaction</u>. Payment by any party hereto, or receipt or acceptance by a receiving party, of any payment due hereunder in an amount less than the amount required to be paid hereunder shall not be deemed an accord and satisfaction, or a waiver by the receiving party of its right to receive and recover the full amount of such payment due hereunder. Notwithstanding any statement to the contrary on any check or payment or on any letter accompanying such check or payment, the receiving party may accept such check or payment without prejudice to the receiving party's right to recover the balance of such payment due hereunder due hereunder or to pursue any other legal or equitable remedy provided in this Lease.

28.17 <u>No Merger</u>. There shall be no merger of this Lease and the leasehold estate hereby created with the fee estate or the Stadium Land, the Adjacent Land, the Adjacent Improvements and the Stadium or any part thereof by reason of the fact that the same person, firm, corporation or other legal entity may acquire or hold, directly or indirectly, this Lease or the leasehold estate and

the fee estate in the Stadium Land, the Adjacent Land, the Adjacent Improvements and the Stadium or any interest in such fee estate.

28.18 <u>Further Assurances</u>. Lessee and District shall execute, acknowledge and deliver, after the date hereof, without additional consideration, such further assurances, instruments and documents, and shall take such further actions, as District or Lessee shall reasonably request of the other party in order to fulfill the intent of this Lease.

28.19 <u>Community Benefits Undertakings</u>. The Lessee acknowledges a civic responsibility to be a good "corporate citizen" and to that end agrees to make the Stadium available to the District subject to availability and to an undertaking to reimburse it for all applicable incremental costs of operation, for events such as intramural D.C. Public School Soccer finals games. The Parties agree that the Stadium shall be made available under this Section 28.19 not less than three (3) times per calendar year, provided that the scheduling of such events shall not interfere with scheduling of other events by Lessee or scheduled facility maintenance. Lessee will also require that all concessionaires and sponsors conduct themselves in a manner consistent with the D.C. Human Rights Act, the First Source Act and the CBE Act, whether or not otherwise applicable to them. Lessee will also encourage Team players to make public appearances and participate in youth sports events throughout the District.

28.20 <u>No Third Party Beneficiary</u>. Except as provided in Article 25 and Section 28.15(b)(iii), the provisions of this Lease are for the exclusive benefit of the parties hereto and not for the benefit of any third Person nor, except as provided in Article 25, shall this Lease be deemed to have conferred any rights, express or implied, upon any third Person unless otherwise expressly provided for herein; <u>provided</u>, <u>however</u>, that MLS is hereby acknowledged as an intended third party beneficiary of this Lease and may exercise any rights expressly conferred upon MLS by this Lease (including the rights conferred by Section 25.6).

28.21 <u>Counterparts</u>. This Lease may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

28.22 <u>Community Benefits</u>. Lessee covenants and agrees that Lessee shall assist and cooperate with the District on the following initiatives under this Lease following the Substantial Completion of the Stadium:

(a) The implementation by the District of the Convention Center – Southwest Waterfront corridor as described in the "DC Circulator 2014 Transit Development Plan Update" dated September 2014.

(b) The implementation by the District of a workforce intermediary program to connect residents of ANC6D with employment during the first two (2) years after the Rent Commencement Date.

Lessee acknowledges that under its current community benefits agreement it has agreed to continue to conduct quarterly training events for school age children to promote soccer. Lessee agrees that all such training and other events to promote and encourage soccer under the community benefits agreement and all other philanthropic activities of Lessee and the Team Operator shall be offered equally to girls and women without discrimination as to gender. Lessee agrees to provide to the District such reports and other information regarding such training and other events as the District shall reasonably request.

28.23 <u>Interest of Members of or Delegates to Congress</u>. No member of or delegate to the Congress of the United States of America, shall be admitted to any share or part hereof or to any benefit arising herefrom. If any partner or Person having an interest in Lessee, directly or indirectly, shall become a member of or a delegate to Congress, his or her interest in Lessee shall automatically become and be null and void; provided, however, that this provision shall not limit, except as otherwise provided in this Lease, the right of any such person to dispose of such interest prior to his or her acceptance of any such office, which acceptance shall be deemed to have occurred at the taking of any required oath of office.

28.24 <u>Finality of Approvals</u>. Where, pursuant to this Lease, any document of or proposed action by Lessee is submitted by it to District, and Lessee has been notified in writing by District that the same is approved or is satisfactory, such determination shall be deemed to be a final determination by District with respect to such particular document or proposed action for all purposes; provided, however, such approval shall not be construed as being, or relied upon as, a determination that the applicable document or proposed action complies with applicable law or regulation, including, without limitation, any laws, regulations or codes which provide for the review and approval of the document or proposed action by any governmental authority (other than the District for the limited purpose provided herein).

28.25 <u>Agreement Made in District</u>. This Lease shall be taken and deemed to have been fully made and executed by the parties to this Lease in the District of Columbia for all purposes and intents.

28.26 <u>Sole Obligations of District</u>. The parties hereby agree that the provisions of this Lease and the Development Agreement shall be and are the sole obligation of the District with respect to the Land.

28.27 <u>Anti-Deficiency Limitations</u>. The following limitations exist as to each and every purported obligation of District set forth in this Lease, whether or not expressly conditioned:

(a) The obligations of the District to fulfill financial obligations pursuant to this Lease or any subsequent agreement entered into pursuant to this Lease or referenced herein (to which the District is a party) are and shall remain subject to the provisions of (i) the federal Anti-Deficiency Act, 31 U.S.C. §§ 1341, 1342, 1349-1351 and 1511-1519 (2004) (the "Federal ADA"), and D.C. Official Code §§ 1-206.03(e) and 47-105 (2001); (ii) the District of Columbia Anti-Deficiency Act, D.C. Official Code §§ 47-355.01 – 355.08 (2004 Supp.) (the "D.C. ADA" and (i) and (ii) collectively, as amended from time to time, the "Anti-Deficiency Acts"); and (iii) § 446 of the District of Columbia Home Rule Act, D.C. Official Code § 1-204.46 (2001). Pursuant to the Anti-Deficiency Acts, nothing in this Lease shall create an obligation of the District in anticipation of an appropriation by Congress for such purpose, and the District's legal liability for the payment

of any of its Obligations under this Lease shall not arise or obtain in advance of the lawful availability of appropriated funds for the applicable fiscal year as approved by Congress.

District agrees to exercise in a timely manner all lawful authority (including (b) seeking appropriations) available to it to satisfy the financial obligations of the District that may arise under this Lease. During the term of this Lease, the Mayor of the District of Columbia shall include in the budget application submitted to the Council for each fiscal period the amount necessary to fund the District's known potential financial obligations (including a reserve for contingencies as reasonably determined by District) under this Lease for such fiscal period. In the event that (i) a request for such appropriations is excluded from the budget approved by the Council and submitted to Congress by the President for the applicable fiscal year, or if no appropriation is made by Congress to pay for District's Obligations under this Lease for any period after the fiscal year for which appropriations have been made, and (ii) appropriated funds are not otherwise lawfully available for such purposes, the District will not be liable to make any payment under this Lease upon the expiration of any then-existing appropriation, the District shall promptly so notify Lessee and the District will not be liable to make any payment under this Lease upon the expiration of any then-existing appropriation and Lessee may fund any non-appropriated amount and offset the same against Additional Rent in accordance with Section 6.4, provided that, while non-appropriation shall discharge the District from the obligation to make a payment otherwise required of it under this Lease, any such failure to make a payment shall nonetheless be treated as a District Default and Lessee shall be entitled to exercise any and all remedies available to it under this Lease as a consequence of such District Default except remedies seeking to compel such expenditure.

(c) Notwithstanding the foregoing, no officer, employee, director, member or other natural person or agent of the District shall have any personal liability in connection with the breach of the provisions of this Section or in the event of a District Default.

(d) This Lease shall not constitute an indebtedness of the District nor shall it constitute an obligation for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation. No District of Columbia official or employee is authorized to obligate or expend any amount under this Lease unless such amount has been appropriated by the Council and by Act of Congress and is lawfully available.

(e) It is specifically understood and agreed that a failure to obtain appropriated funds in accordance with, and subject to the requirements of, this Section 28.27 shall not constitute a District Default.

# ARTICLE 29

# MLS SUPREMACY

(a) Anything to the contrary notwithstanding herein contained, this Lease and the obligations of the Lessee hereunder and under any agreement referred to herein shall be and are in all respects subordinate to the Rules and Regulations, as amended from time to time.

(b) In the event that the rights or remedies of the District under this Lease are materially impaired as a result of the application of foregoing provision, the amount of Rent payable by Lessee hereunder shall be equitably adjusted so as to compensate the District for such increased risk as such impairment may cause.

IN WITNESS WHEREOF, the District of Columbia has caused this Lease to be executed in its corporate name by <u>mathan kauns</u> its <u>interim Director</u>, and attested by <u>ketan Gada</u>, its <u>Director</u>, <u>Hill fast</u>, and its seal to be hereunto affixed and does hereby constitute and appoint <u>Jonathan kaune</u>, its true and lawful Attorney-in-Fact for it and in its name to acknowledge and deliver this Lease as its act and deed.

ATTEST:

DISTRICT:

DISTRICT OF COLUMBIA, a municipal corporation

By:

Name: KETAN GADA Title: DIRECTOR, HILL EAST

By: JONATHAN KATNE Name: / INTERIA DiRECTOR Title:

# APPROVED FOR LEGAL SUFFICIENCY:

Office of the General Counsel for the Deputy Mayor for Planning and Economic Development

Songstreet By:

Susan C. Longstreet, Esquire General Counsel

IN WITNESS WHEREOF, DC Stadium LLC has caused this Lease to be executed by <u>Lacon Levien</u>, which is the <u>PLESTEENT</u> of DC Stadium LLC, and attested by <u>TROM SCOT</u>, Secretary of DC Stadium LLC, and its seal to be hereunto affixed and does hereby constitute and appoint <u>Ason LEVIEN</u> its true and lawful Attorney-in-Fact for it and in *its name to acknowledge and deliver this Lease as its act and deed.* 

ATTEST:

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LESSEE:

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DC STADIUM LLC, a Delaware limited liability company

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By:

Secretary

By: resident

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AFDOCS/5941392.39

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# EXHIBIT A

# EXHIBITA

## AS TO TRACT ONE (Lot 7 in Square 605):

Lot Seven (7) in Square numbered Six Hundred Five (605) in a subdivision made by Washington Deliveries, Inc. as per plat recorded in Liber No. 159 at Folio 10 among the Land Records of the Office of the Surveyor of the District of Columbia.

AND BEING the same property conveyed unto Rollingwood Real Estate, LLC, a Delaware limited liability company, from Enrique Lyon, by that certain Special Warranty Deed dated February 7, 2011 and recorded February 8, 2011 as Document No. 2011016719 among the Land Records of the District of Columbia.

#### AS TO TRACT TWO (Lot 802 in Square 605):

Original Lots Numbered One (1), Two (2) and Six (6) in Square Numbered Six Hundred Five (605) in the District of Columbia.

Also, parts of Original Lots Numbered Three (3) and Five (5) in Square Numbered Six Hundred Five (605), described as follows:

Beginning for the same at the Southeast corner of said Original Lot numbered Three (3) and running thence West along South line of said Lot to a point 46.54 feet, more or less, the said point being the Southeast corner of the property conveyed to Patroon Operating Corp., a New York Corporation, by deed dated October 27, 1954 and recorded November 19, 1954 as Instrument No. 41301 among the Land Records of the District of Columbia; thence North along the Easterly line of the property conveyed to said Patroon Operating Corp., by deed recorded November 19, 1954 as Instrument No. 41301 among the Land Records of the District of Columbia aforesaid 202.05 feet, more or less, to thw South side of Potomac Avenue; thence Northeasterly along Potomac Avenue 15.87 feet more or less, to the most Northerly line of Original Lot Numbered Five (5) in Square numbered Six Hundred Five (605); thence Southeasterly along the West side of Original Lot numbered six (6) in said Square numbered Six Hundred Five (605), 61.17 feet to the Northwest corner of Original Lot numbered Two (2) in Square numbered Six Hundred Five (605), thence along the West line of said Original Lot numbered Two (2) in Said Square numbered Six Hundred Five (605) aforesaid. 150 feet to the beginning.

4/28/2015

Now known for Assessment and Taxation purposes as Lot Numbered Eight Hundred Two (802) in Square Numbered Six Hundred Five (605).

AND BEING the same property conveyed unto Super Salvage, Inc., a Delaware corporation, from Alice C. Hoen (f/k/a Alice Taplin Crane) and husband, Ralph Hoen, and Barbara C. Mier (f/k/a Barbara Lee Crane) and husband, John Mier, and Jean C. Carl (f/k/a Jean Hardell Crane) and husband, Donald K. Carl, by that certain Deed dated December 28, 1959 and recorded March 11, 1960 in Liber 11391 at folio 549, as Instrument No. 6431, among the Land Records of the District of Columbia.

#### AS TO TRACT THREE (Lot 805 in Square 661):

Part of Lot Numbered Seventy-three (73) in Square Numbered Six Hundred Sixtyone (661), in a subdivision made by the Potomac Electric Power Company, as per plat recorded in the Office of the Surveyor for the District of Columbia in Liber 152 at folio 55.

Now known for Assessment and Taxation purposes as Lot Numbered Eight Hundred Five (805) in Square Numbered Six Hundred Sixty-one (661).

AND BEING part of the same property conveyed unto Potomac Electric Power Company from Christian Heurich, Jr., Beverly P. Heurich, Anita Heurich Eckles, Charles E. Eckles, Karla H.K. Harrison (formerly Karla Heurich King) and Eugene L. Harrison, by that certain Deed dated August 12, 1966 and recorded September 15, 1966 in Liber 12667 at folio 625 among the Land Records of the District of Columbia.

#### AS TO TRACT FOUR (Lot 804 in Square 661):

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Part of Lot Numbered Seventy-three (73) in Square Numbered Six Hundred Sixtyone (661), in a subdivision made by the Potomac Electric Power Company, as per plat recorded in the Office of the Surveyor for the District of Columbia in Liber 152 at folio 55.

Now known for Assessment and Taxation purposes as Lot Numbered Eight Hundred Four (804) in Square Numbered Six Hundred Sixty-one (661).

4/28/2015

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AND BEING part of the same property conveyed unto Potomac Electric Power Company from Christian Heurich, Jr., Beverly P. Heurich, Anita Heurich Eckles, Charles E. Eckles, Karla H.K. Harrison (formerly Karla Heurich King) and Eugene L. Harrison, by that certain Deed dated August 12, 1966 and recorded September 15, 1966 in Liber 12667 at folio 625 among the Land Records of the District of Columbia.

#### AS TO TRACT FIVE (Lot 13 in Square 607):

Lot Numbered Thirteen (13) in Square Numbered Six Hundred Seven (607), per plat recorded in Book 152 at page 52 in the Office of the Surveyor for the District of Columbia.

AND BEING part of the property conveyed unto SW Land Holder, LLC, a Delaware limited liability company, from Potomac Electric Power Company, a District of Columbia and Virginia corporation, by that certain Special Warranty Deed dated August 25, 2005 and recorded August 26, 2005 as Document No. 2005120010 among the Land Records of the District of Columbia.

#### AS TO TRACT SIX (Lot 24 in Square 665):

Lot Numbered Twenty-four (24) in Square Numbered Six Hundred Sixty-five (665) in a subdivision made by the Potomac Electric Power Company, as per plat recorded in the Office of the Surveyor for the District of Columbia in Liber 152 at folio 164.

AND BEING part of the property conveyed to Potomac Electric Power Company in the following deeds:

Liber 12667, at folio 625, Instrument No. 29905; Liber 6660, at folio 254, Instrument No. 13237; Liber 6660, at folio 254, Instrument No. 13237; Liber 6660, at folio 255, Instrument No. 13238; Instrument No. 14063;

Liber 6722, at folio 516, Instrument No. 5319; Liber 6718, at folio 13, Instrument No. 3426; Liber 6718, at folio 14, Instrument No. 3427;

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and per the following plats:

Liber 98, at folio 45; Liber 152, at folio 154.

NOTE: A metes and bounds description of all of the property described in this Exhibit "A" must be furnished to the Company.

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All of that certain lot or parcel of land situated, lying and being in the District of Columbia, and being more particularly described as follows:

AS TO PARCEL A (Lot 800 in Square North of 661):

Being U.S. Reservation 244 in the District of Columbia bounded on the east by Half Street, S.W., on the south by R Street, S.W., and on the north and west by Potomac Avenue, S.W.; jurisdiction of said reservation having been transferred from the National Park Service to the District of Columbia for highway purposes on January 11, 1944 as shown on a Plat of Subdivision recorded in Subdivision Book 120 at Page 24 among the Records of the Office of the Surveyor for the District of Columbia; said land being more particularly described as follows:

Beginning for the same at a point within R Street, S.W. (85 feet wide), said point lying distant the following two (2) courses and distances from the northeast corner of Square 661, North, 67.5 feet; thence East 15.0 feet; thence running within and parallel to said R Street, S.W.

- 1. Due West, 284.31 feet to a point within Potomac Avenue, S.W. (160 feet wide); thence running within and parallel to said Potomac Avenue, S.W.
- 2. North 62° 30' 00" East, 320.52 feet to a point within Half Street, S.W. (80 feet wide); thence running within and parallel to said Half Street, S.W.
- 3. Due South, 148.00 feet to the point of beginning.

Containing a computed record area of 21,039 square feet or 0.48299 of an acre of land, more or less.

Now known for Assessment and Taxation purposes as Lot Numbered Eight Hundred (800) in Square North of Six Hundred Sixty-one (N-661).

AND BEING the same property conveyed to the District of Columbia from the United States of America by that certain Quitclaim Deed dated November 7, 2008 and recorded November 13, 2008 as Document No. 2008116044 among the Land Records of the District of Columbia.

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5 OF 6

AS TO PARCEL B (Lot 800 in Square South of 603):

Being U.S. Reservation 243 in the District of Columbia bounded on the west by Second Street, S.W., on the north by R Street, S.W. and on the south and east by Potomac Avenue, S.W.; jurisdiction of said reservation having been transferred from the National Park Service to the District of Columbia for highway purposes on January 11, 1944 as shown on a Plat of Subdivision recorded in Subdivision Book 120 at Page 24 among the Records of the Office of the Surveyor for the District of Columbia; said land being more particularly described as follows:

Beginning for the same at a point within R Street, S.W. (85 feet wide), said point lying distant the following two (2) courses and distances from the southwest corner of Square 603, South, 67.5 feet, thence West, 15.0 feet; thence running within and parallel to said R Street, S.W.

- 1. Due East, 281.50 feet to a point within Potomac Avenue, S.W. (160 feet wide); thence running within and parallel to said Potomac Avenue, S.W.
- South 62° 30' 00" West, 317.36 feet to a point within Second Street, S.W. (90 feet wide); thence running within and parallel to said Second Street, S.W.
- 3. Due North, 146.54 feet to the point of beginning.

Containing a computed record area of 20,625 square feet or 0.47348 of an acre of land, more or less.

Now known for Assessment and Taxation purposes as Lot Numbered Eight Hundred (800) in Square South of Six Hundred Three (S-603).

AND BEING the same property conveyed to the District of Columbia from the United States of America by that certain Quitclaim Deed dated November 7, 2008 and recorded November 13, 2008 as Document No. 2008116043 among the Land Records of the District of Columbia.

NOTE: A metes and bounds description of all of the property described in this Exhibit "A" must be furnished to the Company.

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# EXHIBIT A-1

# Legal Description of the Stadium Land

[Being Squares 603S, 605, 607, 661N and 661 and Lots \_\_\_\_\_\_ in Square 665, all as per plat recorded in the Office of the Surveyor for the District of Columbia in Liber \_\_\_\_\_ at page \_\_\_\_\_.]

# EXHIBIT A-2

# Legal Description of the Adjacent Land

[Being Lots \_\_\_\_\_\_ in Square 605, Lots \_\_\_\_\_ in Square 607, Lots \_\_\_\_\_ in Square 661, and Lots \_\_\_\_\_ in Square 665, all as per plat recorded in the Office of the Surveyor for the District of Columbia in Liber \_\_\_\_\_ at page \_\_\_\_\_.]

# EXHIBIT B

[RESERVED]

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# EXHIBIT C

## Participating Rent

## I. Sold Seat Fee

Lessee shall pay or cause the Team to pay to the District annually in arrears, not later than ninety (90) days after the last day of each Rent Year commencing with the 11<sup>th</sup> Rent Year after Substantial Completion, the "Sold Seat Fee" accrued with respect to the immediately prior Rent Year. The "Sold Seat Fee" shall be calculated by multiplying the "Sold Seat Amount" times the number of full price tickets sold to events at the Stadium other than charity events, events sponsored by non-profit organizations and events described in Section 28.19 of the Lease, less the number of tickets so sold but for which at least fifty percent (50%) of the sale price was refunded by Lessee or Team Operator. For the avoidance of doubt, free tickets, promotional tickets sold at a discount to or for use by special needs persons such as military veterans undergoing rehabilitation, school children and similar groups for which the Lessee or Team Operator receives less than fifty percent (50%) of the face amount of the applicable ticket price are not included in the foregoing calculation provided the face amount of the ticket is reasonably related to the average ticket price of the event. The "Sold Seat Amount" shall be: (i) for the period comprising the 11<sup>th</sup> Rent Year after Substantial Completion, through and including the 21<sup>st</sup> Rent Year after Substantial Completion, Two Dollars (\$2.00), and (ii) commencing for the 22<sup>nd</sup> Rent Year following Substantial Completion and thereafter, the Sold Seat Fee with respect to such year and each following Rent Year shall be an amount equal to Two Dollars (\$2.00), as the same may be increased or decreased by the net change in CPI between the tenth (10<sup>th</sup>) anniversary of Substantial Completion and the 20<sup>th</sup> anniversary of the date of Substantial Completion. As used herein, CPI means the Consumer Price Index for All Urban Consumers (CPI-U), all Items (1967 = 100) and if such index ceases to be published, a comparable index selected by the District subject to appropriate adjustment to be comparable to CPI.

### II. Fee on Sale

In the event of a (i) sale of more than fifty percent (50%) of the voting interests in Team Operator prior to April 1, 2019, the Lessee shall pay or cause Team Operator to pay to the District fifteen percent (15%) of the excess, if any, of the sale price over the Seller's total investment in the interests being sold, and (ii) sale of the "Operating Right" (hereafter defined) prior to April 1, 2019, the Lessee shall pay or cause Team Operator to pay to the District fifteen percent (15%) of the excess, if any, of the sale price less any cumulative net operating losses of Team Operator over acquisition price of the current ownership of Team Operator of the Operating Right. As used herein, the term "Operating Right" means the right to operate DC United under the MLS Operating Agreement.

Any controversy or claim arising out of or relating to the calculation of the amounts due under this <u>Exhibit C</u> shall be settled by binding arbitration administered by the American Arbitration Association under its Expedited Commercial Arbitration Rules ("CAR"), and shall occur in Washington, D.C. The arbitrator shall <u>not</u> issue a "reasoned award," as such term is used in Rule 42 of the CAR. This agreement to arbitrate shall be specifically enforceable pursuant to
and interpreted under the Federal Arbitration Act, and the parties agree that no appeal or review of the decision of the arbitrator shall be taken unless the arbitrator has clearly exceeded the scope of his or her authority under this Lease. Venue for review of and/or judgment on the award rendered by the arbitrator shall be the United States District Court for the District of Columbia. During the pendency of the resolution of any dispute hereunder, Lessee shall not be deemed in default as to the payment of Windfall Profits Recapture Amount.

#### III. Confidentiality

The following provisions are applicable to requests filed under the District of Columbia Freedom of Information Act of 1976, as amended (D.C. Official Code §§ 2-531 *et seq.*) ("**DCFOIA**") or any similar applicable law for information regarding this Lease or any communications, documents, agreements, information or records with respect to this Lease:

(a) *Non-Disclosure*. Communications, documents, agreements, information and records that qualify as "**Confidential Information**" under DCFOIA or any similar applicable law provided to the District by Lessee under or pursuant to this Lease shall be maintained by the District as confidential, and the District shall not disclose such information to any Persons other than the appropriate attorneys, accountants, consultants, auditors and employees of the District.

Acknowledgment; Requests for Disclosure. As required by the (b) terms of this Lease, Lessee shall provide to the District certain documentation and information, the disclosure thereof could cause substantial harm to the competitive position of Lessee. The District acknowledges and agrees that Lessee will be considered as the "submitter" of such documentation and information for purposes of the DCFOIA. Accordingly, if a Person files a request under the DCFOIA or any similar applicable law for any such documentation or information (a "Request"), the District shall promptly, and in any event not more than five (5) days following the receipt of the Request, notify Lessee of the Request and allow Lessee a sufficient, and not less than a reasonable, period of time (and, in any event, prior to the disclosure of any documentation or information ("Requested Information") that would be disclosed pursuant to the Request) within which to object to the District, and any other relevant judicial or administrative body, to the disclosure of any of the Requested Information. If, following receipt of Lessee's objection to the release of the Requested Information, or not less than ten (10) days following receipt of the Request, the District reasonably determines that the Requested Information is exempt from disclosure pursuant to the DCFOIA or any similar applicable law, the District shall promptly, and in any event, within the time limits mandated under the DCFOIA, assert such exemption from disclosure and decline to provide such information. If, following receipt of Lessee's objection to the release of the Requested Information, or not less than ten (10) days following receipt of the Request, the District reasonably determines that the information sought by the Request is not exempt from disclosure pursuant to the DCFOIA or any similar applicable law, the District shall promptly notify Lessee of such determination, and shall refrain from making such disclosure for not less than five (5) days following notice to Lessee in order to afford Lessee an opportunity to seek an injunction or other appropriate remedy if Lessee believes that the District's determination is erroneous. The term "days" as used in this Section 16.19 shall be determined in the manner provided in the DCFOIA.

(c) *Notice*. Lessee shall endeavor to clearly mark each page of all documents which Lessee wishes to designate as Confidential Information "Confidential Trade Secret Information, Contact Lessee Before Any Disclosure" and shall also include a reference to this Lease; provided, however, that Lessee's failure to mark any document shall not foreclose Lessee from asserting that a document should be designated as Confidential Information.

(d) *Certain Required Disclosures.* Nothing in this Lease shall limit or restrict the District from disclosing, to the extent required by applicable law, any information, communication, or record to the United States Congress, the Council, the District of Columbia Inspector General or the District of Columbia Auditor; provided that the District shall use all reasonable measures to prevent further dissemination of such information to the extent such information is Confidential Information.

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## EXHIBIT D

## Real Estate Taxes

Tenant's obligation to pay Real Estate Taxes with regard to the Stadium and the Stadium Land shall be phased in during the Term as set forth below:

Rent Year	Obligation to Pay Real Estate Taxes
Prior to the first Rent Year	0% of Assessed Value
Rent Years 1 - 5	0% of Assessed Value
Rent Years 6 - 10	25% of Assessed Value
Rent Years 11-15	50% of Assessed Value
Rent Years 16-20	75% of Assessed Value
Rent Years 21 - end of Term	100% of Assessed Value

# EXHIBIT E

# First Source Employment Agreement

To be Attached Prior to September 1, 2015

# EXHIBIT F

# Memorandum of Understanding

To Be Attached Prior to September 1, 2015

# EXHIBIT G

# **Consultation Area**

AFDOCS/5941392.39

# EXHIBIT H

# INTENTIONALLY OMITTED

AFDOCS/5941392.39

## EXHIBIT I

## **No-Relocation Agreement**

### **NO-RELOCATION AGREEMENT**

THIS NON-RELOCATION AGREEMENT (this "Agreement") is entered into as of ..., 201\_, (the "Effective Date") by and between the **DISTRICT OF COLUMBIA**, a municipal corporation acting by and through the Department of General Services (the "<u>District</u>"), and **DC SOCCER LLC**, a Delaware limited liability company ("<u>Team</u>"). Capitalized terms used and not otherwise defined herein shall have the respective meanings ascribed to them in the Lease.

#### **RECITALS:**

A. Team is the holder of a right to operate the DC United professional soccer team ("<u>DC United</u>") pursuant to the MLS Operating Agreement and is an affiliate of DC STADIUM LLC, a Delaware limited liability company ("<u>Lessee</u>").

B. Lessee and District are parties to that certain Ground Lease dated as of \_\_\_\_\_\_, 201\_\_\_ (as amended from time to time, the "Lease"), pursuant to which, among other things, Lessee is leasing from the District certain real property described in Exhibit A hereto (the "<u>Stadium Land</u>"), and is constructing a new, state-of-the-art, LEED certified stadium, on the Stadium Land (the "<u>Stadium</u>"), in accordance with that certain Development Agreement between the District and Lessee dated as of \_\_\_\_\_\_, 201\_\_ (the "<u>Development Agreement</u>"), for the use and benefit of the Team.

C. As a condition to District entering into and performing its obligations under the Lease and the Development Agreement, Lessee agreed to cause the Team to enter into this Agreement, pursuant to which the Team will (i) commit DC United to play substantially all of its Games (as hereinafter defined) at the Stadium, (ii) commit DC United to maintain its principal offices within the District of Columbia, and (iii) use reasonable efforts to locate DC United's practice field and any related facilities in the District of Columbia, in each case, for a term concurrent with the term of the Lease, on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the District and Team agree as follows:

#### ARTICLE I.

#### DEFINITIONS

The following terms as used herein shall have the following meanings:

"Agreement" means this Non-Relocation Agreement, as amended from time to time.

"**Casualty**" means any material damage or destruction of the Stadium or of any material part thereof caused by fire or other occurrence.

"Casualty Repair Work" means all work to restore, repair, replace and rebuild the Stadium or the applicable portion of the Stadium affected by a Casualty, as nearly as reasonably practicable to its condition immediately prior to such damage or destruction.

"**Casualty Untenantablity Period**" means the period, if any, commencing on the date that an Untenantable Condition exists due to a Casualty and ending ninety (90) days after the date that such Casualty Untenantable condition ceases to exist following completion of the Casualty Repair Work.

"**Commencement Date**" means the first day of the first MLS season, the first day of which follows the date upon which the Stadium is Substantially Completed and can be used for Games.

"District" is defined in the initial paragraph of this Agreement.

"Effective Date" means the date of this Non-Relocation Agreement.

"Force Majeure" means an occurrence, including any of the following, for the period of time, if any, that the Team's performance of the Non-Relocation Covenants is actually, materially and reasonably delayed, hindered or prevented thereby: acts of God; acts of the public enemy; the condemnation (permanent or temporary), confiscation or seizure by any Governmental Authority; insurrections; wars or war-like action (whether actual and pending or expected); arrests or other restraints of government (civil or military); blockades; embargoes; labor interruptions, strikes, labor unrest, labor disputes or unavailability of labor or materials; strikes, lock-outs or other work stoppages; epidemics; unusually severe weather; lightning; earthquakes; fires; hurricanes; storms; floods; wash-outs; epidemic; explosions; any delays occasioned by arbitration actions and proceedings: civil disturbance or disobedience; riot; sabotage; terrorism, threats of sabotage or terrorism; withdrawal or suspension of permits or licenses or other legal entitlement; closure of the District or federal government, any failure of the District to comply with any of its obligations under the Lease or Development Agreement (including failure by reason of non-appropriation) if such failure by the District materially adversely affects the long-term economic benefit of the bargain expressed in the Lease or any other cause, whether of the kind herein enumerated or otherwise, that is not within the reasonable control of the Party claiming the right to excuse performance on account of such occurrence and which, in any event, is not a result of the negligence or willful misconduct of the Party claiming the right to excuse performance on account of such occurrence; provided, however, that the Team may not claim Force Majeure as a result of actions on the part of MLS, or any of its affiliates or subsidiaries.

"Games" has the meaning given that term in the Lease.

"Governmental Authority" means any federal, state, District of Columbia, local or foreign governmental entity, authority or agency, court, tribunal, regulatory commission or other body, whether legislative, judicial or executive (or a combination or permutation thereof).

"Landlord Failure" means the District's failure to perform any obligation required to be performed by the District under any Project Agreement that materially adversely impacts Team's ability to play Games at the Stadium. "Lease" is defined in Recital B of this Agreement.

"Non-Relocation Covenants" means the collective covenants made by Team under Article 2 of this Agreement.

"Non-Relocation Default" means Team's breach of any of the terms, covenants or agreements of Article 2 of this Agreement.

**"Non-Relocation Term"** means the period beginning on the Commencement Date and continuing until the termination of this Agreement pursuant to Section 4.2 of this Agreement.

"Operating Right" means the right granted by the MLS (as such term is defined in the Lease) to Team allowing Team to operate the DC United professional soccer team under the MLS Operating Agreement (as such term is defined in the Lease)

"Other Default" means (i) any failure of the Team to observe or perform in any respect any of the terms, covenants or agreements of this Agreement, other than the terms, covenants or agreements of Article 2 of this Agreement or (ii) any representation or warranty made by the Team in this Agreement shall have been false or inaccurate in any material respect when made, which failure or misrepresentation shall continue for a period of thirty (30) days after notice thereof to the Team in writing of its purported failure or misrepresentation, or, if the failure or misrepresentation is not reasonably susceptible of cure within such thirty (30)-day period, the Team fails to commence the cure within such period and thereafter to prosecute the cure diligently to completion).

"Parties" or "Party" means the District and Team, as the context in this Agreement may require.

"Practice Facilities" is defined in Section 3.2 of this Agreement.

"Project Agreements" means, collectively, (i) the Lease, and (ii) the Development Agreement.

"Public Parking Spaces" means the parking spaces located on the Stadium Land.

"**RFK Stadium**" means the outdoor multipurpose stadium improvements (including parking lots) known as Robert F. Kennedy Memorial Stadium located at 2400 East Capitol St SE Washington, DC 20003.

"Stadium" is defined in Recital A.

"Team" has the meaning given in the initial paragraph of this Agreement.

"Untenantable Condition" means the existence of any one of the following conditions as a result of Condemnation, Casualty, Force Majeure or Landlord Failure, but only to the extent the same is not the result of the willful misconduct of Team or Lessee:

(a) The condition of the applicable facility (the Stadium or the RFK Stadium) is such that the playing of Games (or as to practice fields, practices) is not permitted under the Rules and Regulations that are generally applicable to other similar MLS facilities;

(b) The condition of the applicable facility (the Stadium or the RFK Stadium) does not reasonably permit it to be used, occupied or exploited by the Team in connection with Games (or practices);

(c) The use or occupancy of the applicable facility (the Stadium or the RFK Stadium) for a Game (or practice) is not permitted under applicable laws or regulations or is restricted in any material respect under applicable laws or otherwise, including, but not limited to, denial of access;

(d) The use or occupancy of twenty (20%) or more of the total manifested seats within the Stadium, is restricted or such seats are unusable or are subject to a material restriction on access; or

(e) The use or occupancy of more than twenty percent (20%) or more of the Public Parking Spaces is restricted or such Public Parking Spaces are unusable or are subject to a material restriction on access and this materially adversely impacts the sale of tickets to the Games.

## ARTICLE 2

#### **NON-RELOCATION**

#### 2.1 Obligation to Maintain Franchise.

So long as this Agreement is in effect, Team covenants to the District that it shall continue to own the Operating Right.

#### 2.2 Covenant to Play.

(a) From the Effective Date until the Commencement Date, subject only to the exceptions described in this Section 2.2, Team covenants to the District to play substantially all of Team's Games at RFK Stadium during each Season. During the Non-Relocation Term, subject only to the exceptions described in this Section 2.2, Team covenants to the District to play substantially all of Team's Games at the Stadium during each Season.

(b) Notwithstanding subsection (a) of this Section 2.2 above, Team shall be permitted to play, and to enter into arrangements to permit it to play, Games at a location other than RFK Stadium or the Stadium, as applicable, (i) if an Untenantable Condition exists or is reasonably expected to exist at the time of any scheduled Game, (ii) due to Force Majeure, or (iii) during any Casualty Untenantability Period and, if such Casualty Untenantability Period ends, or is reasonably expected to end, during a Season or within ninety (90) days prior to the beginning of a Season, during the entirety of such Season. Team shall give written notice to the District promptly following any determination by Team that it intends to play or enter into arrangements to play one or more Game(s) at a location other than the Stadium (or the RFK Stadium, as applicable) pursuant to this paragraph.

#### 2.3 Non-Relocation.

As of the Effective Date, there is no contract or agreement in effect with respect to or which would result in the move or relocation of Games to a location other than the Stadium or RFK Stadium, other than as permitted under Section 2.2. For so long as this Agreement is in effect, the Team shall not enter into any contract or agreement with respect to or which would result in the move or relocation of, or make application to the MLS with respect to or which would result in the move or relocation of, and shall not move or otherwise relocate or attempt to move or otherwise relocate, Games to a location other than the Stadium, other than as permitted under Section 2.2, except that the prohibitions set forth in this Article 2 shall not apply to prospective applications or agreements if any such proposed move or relocation would not take effect during the Non-Relocation Term.

#### ARTICLE 3

#### **OTHER COVENANTS**

## 3.1 Office Location.

So long as this Agreement is in effect, Team will (subject to Force Majeure) maintain its principal offices within the District of Columbia.

#### **3.2** Practice Fields.

So long as this Agreement is in effect, Team shall use reasonable efforts to locate DC United's primary practice fields and any related facilities (collectively, the "<u>Practice Facilities</u>") in the District of Columbia. Team will apprise District of its efforts to identify and secure a location in the District of Columbia for such Practice Facilities. District will use reasonable efforts to assist the Team in identifying a location in the District of Columbia for the Practice Facilities.

## ARTICLE 4

#### TERM

## 4.1 Effective Date and Non-Relocation Term.

The terms and provisions of this Agreement shall be effective as of the Effective Date and shall continue until the termination of this Agreement under Section 4.2.

#### 4.2 Termination.

This Agreement shall terminate upon the occurrence of any of the following events: (i) written agreement of the Parties to terminate this Agreement; (ii) expiration of the Lease in accordance with its terms; (iii) termination of the Lease in accordance with its terms other than as a result of a Lessee Default except that in the event of a Lessee Default, if the Performance Assurance has been realized upon pursuant to Section 8.1(a) of the Development Agreement, then this Agreement shall terminate; (iv) the Stadium Land is no longer subject to the Lease, or (v) at the election of the Team, if the Commencement Date does not occur on or before March 31, 2021 as a proximate result of any failure (including a failure by reason of non-appropriation) of the District to perform any of its obligations under the Development Agreement or the Lease if such failure materially adversely affects the long-term economic benefit of the bargain expressed in the Development Agreement or in the Lease.

## ARTICLE 5

## **DEFAULTS AND REMEDIES**

#### 5.1 Agreements and Acknowledgments

Team acknowledges (i) that Lessee is an Affiliate, (ii) that the Team will benefit from the lease by the District of the Stadium Land to Lessee, (iii) that its obligations under the Non-Relocation Covenants are unique, are the essence of the bargain, and are essential consideration for this Agreement and for the Project Agreements being entered into by the District with Lessee. Team also recognizes, agrees, and stipulates that the financial, civic, and social benefits to the District from the presence of Team and the playing of its Games at the Stadium in accordance with this Agreement are great, but that the precise value of those benefits is difficult to quantify. Accordingly, the magnitude of the damages that would result from a Non-Relocation Default would be difficult to quantify, including, without limitation, damages to reputation and finances of the District and such damages would not be compensable by money. Based on the foregoing, Team hereby agrees as follows:

(a) That any Non-Relocation Default by Team shall constitute irreparable harm to the District for which monetary damages or other remedies at law will not be an adequate remedy, and that Team shall not assert or argue otherwise in any action or proceeding.

(b) That the specific performance of the Non-Relocation Covenants is a bargained-for expectation of the District and Team and that in the event of a Non-Relocation Default, the District shall be entitled to a judicial order and judgment directing Team to specifically perform its obligations under the Non-Relocation Covenants and enjoining it from failing to perform its obligations under the Non-Relocation Covenants or acting in a manner that would constitute a Non-Relocation Default.

(c) That, in the event of a Non-Relocation Default, the District shall be entitled to seek and obtain, and Team hereby consents to the entry of, temporary, preliminary and permanent injunctive and other similar equitable relief restraining, enjoining and prohibiting any such Non-Relocation Default, and directing the specific performance of the terms of the Non-Relocation Covenants.

(d) That it will not assert that (i) the rights of the District to injunctive relief as a result of a Non-Relocation Default shall not constitute a claim pursuant to Section 101(5) of the United States Bankruptcy Code, (ii) such rights are subject to discharge or restraint of any nature in any bankruptcy proceeding involving Team, nor (iii) that this Agreement is an "executory contract" as contemplated by Section 365 of the United States Bankruptcy Code.

(e) That in any proceeding seeking relief for a Non-Relocation Default, any requirement for the District to post any bond or other security or collateral as a condition of any relief sought or granted is hereby waived, and the Team shall not assert or argue otherwise in any action, suit or proceeding.

(f) That Team waives any right it may have to object to or to raise any defense to any actual or requested award of the remedy of specific performance in any action brought by or on behalf of the District in respect of a Non-Relocation Default except:

(i) alleged unclean hands of the plaintiff in the commencement

of the proceedings, and

(ii) the defense that there has in fact not been a Non-Relocation Default in accordance with the terms of this Agreement.

(g) That the obligations of Team under the Non-Relocation Covenants are absolute, irrevocable and unconditional, except as expressly provided herein, and shall not be released, discharged, limited or affected by any right of setoff or counterclaim that Team may have to the performance thereof.

(h) That the failure of any party to seek redress for violation of, or to insist upon the strict performance of, any provision of the Non-Relocation Covenants shall not prevent a subsequent act, which would have originally constituted a violation, from having effect of an original violation. No delay in the exercise of any remedy shall constitute a waiver of that remedy.

## 5.2 District Remedies for Non-Relocation Default

Upon the occurrence of a Non-Relocation Default or the threat of an imminent breach of any of the Non-Relocation Covenants, in addition to any other remedies the District may pursue, the District shall be entitled to seek declaratory relief or similar equitable remedy, including but not limited, to an injunction or specific performance, without the following: posting a bond or other security; demonstrating inadequacy of money damages as a remedy; or showing irreparable harm.

## 5.3 Other Defaults

In the event of any Other Default, the District shall have the right to institute any and all proceedings or claims permitted by law or equity to recover any and all amounts necessary to compensate the District for all damages proximately caused by the Team's breach under this Agreement.

## ARTICLE 6

## REPRESENTATIONS

## 6.1 **Representations and Warranties**

Team hereby represents and warrants to the District the following, which representations and warranties speak solely as of the Effective Date:

(a) Team is a limited liability company, duly formed and validly existing under the laws of the State of Delaware, qualified to do business in the District, with all necessary limited liability power and authority to carry on its present business, to enter into and perform this Agreement and to consummate the transactions herein contemplated.

(b) All proceedings required to be taken by or on behalf of Team to authorize Team to execute and deliver this Agreement and to perform its covenants, obligations and agreements hereunder have been duly taken. This Agreement has been duly authorized and executed by Team.

(c) This Agreement constitutes the valid and legally binding obligation of Team, enforceable in accordance with its terms and conditions, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws presently or hereafter in effect, and by general principles of equity whether applied in a proceeding at law or in equity.

(d) No consent to the execution and delivery of this Agreement by Team is required from MLS or from any member, manager, creditor, judicial, legislative or administrative body, Governmental Authority or any other person, other than any such consent which already has been given in writing or has otherwise been obtained, without any unfulfilled conditions to the effectiveness thereof and which consent remains in effect on the Effective Date.

(e) Neither the execution and delivery of this Agreement by Team nor the performance by Team of its obligations hereunder (a) violates any statute, regulation, rule, judgment, order, decree, stipulation, injunction, charge, or other restriction of any Governmental Authority, or court to which Team is subject or any provision of the operating agreement of Team or any provisions of the Rules and Regulations, or (b) conflicts with, results in a breach of, constitutes a default under, results in the acceleration of or creates in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any contract, lease, sublease, license, sublicense, franchise, permit, indenture, agreement or mortgage for borrowed money, instrument of indebtedness, security interest, or other agreement to which Team is a party or by which Team or its assets (including, Team) are bound (including the Rules and Regulations), except in each case for violations, conflicts, breaches, defaults, accelerations or terminations that in good faith would not be reasonably likely to materially impair Team's ability to perform under this Agreement.

(f) Team has the Operating Right pursuant to the MLS Operating Agreement.

## 6.2 Notice of Inaccuracy

If Team becomes aware that any representation or warranty made in this Article 6 shall have been false or inaccurate in any material respect when made, Team will give prompt notice thereof to the District.

## ARTICLE 7

## MISCELLANEOUS

## 7.1 Entire Agreement

This Agreement represents the entire agreement among the Parties with respect to the matters set forth herein and supersedes all prior negotiations, representations or agreements, written or oral, pertaining to the subject matter of this Agreement. The provisions of this Agreement are for the exclusive benefit of the Parties and the Lessee and not for the benefit of any third person (other than the Lessee); nor shall this Agreement be deemed to have conferred

any rights, express or implied, upon any third person other than the Lessee, which is acknowledged to be an intended third-party beneficiary of the provisions of Section 5.3(b).

## 7.2 Amendments

No modification or amendment of this Agreement or of any of its conditions or provisions shall be binding upon the District or Team unless in writing signed by the District and Team.

## 7.3 Choice of Law

This Agreement shall be governed by and interpreted in accordance with the internal laws of the District of Columbia, without giving effect to conflict of laws provisions.

## 7.4 Interpretation

Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law. The conditions to the Team's obligations under this Agreement set forth herein represent essential elements of the bargain and shall not be deemed severable from the rights of the District hereunder. This Agreement is not intended to give rise to a private right of action on the part of any citizen of or business doing business in the District. This Agreement is not intended to, and does not create a relationship of principal and agent, partnership, joint venture or association between the District and Team.

## 7.5 No Implied Waivers

No waiver by a Party of any term, obligation, condition or provision of this Agreement shall be deemed to have been made, whether due to any course of conduct, continuance or repetition of non-compliance, or otherwise, unless such waiver is expressed in writing and signed and delivered by the Party granting the waiver, nor shall any forbearance by either Party to seek a remedy for any breach by the other Party be a waiver by such party of any rights or remedies with respect to such or any subsequent breach. No express waiver shall affect any term, obligation, condition or provision other than the one specified in such waiver and that one only for the time and in the manner specifically stated.

## 7.6 Interpretations

All personal pronouns used in this Agreement, whether used in the masculine, feminine or neuter gender, shall include all other genders; and the singular shall include the plural and vice versa. Any accounting term used in this Agreement shall have, unless otherwise specifically provided herein, the meaning customarily given in accordance with generally accepted accounting principles, and all financial computations hereunder shall be computed, unless otherwise specifically provided herein, in accordance with generally accepted accounting principles. The captions and headings in this Agreement are only for convenience and do not define, limit or describe the scope or intent of any of the provisions of this Agreement. The use herein of the word "including," when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not nonlimiting language (such words as "without limitation," or "but not limited to," or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter. The Parties agree that they have been represented by counsel during the negotiation, drafting, preparation and execution of this Agreement and, therefore, waive the application of any law or rule of construction providing that ambiguities in a contract or other document will be construed against the party drafting such contract or document.

## 7.7 Notices

All notices, demands, certificates or other communications under this Agreement shall be given in writing at the address set forth below or at such other address as such party shall designate by written notice to the other party and may be (a) sent by registered or certified U.S. Mail with return receipt requested, (b) delivered personally (including delivery by private courier services), or (c) sent by nationally recognized overnight courier service. Such notices shall be deemed to be duly given or made (i) five (5) Business Days after posting if mailed as provided, (ii) when delivered by hand unless such day is not a Business Day, in which case such delivery shall be deemed to be made as of the next succeeding Business Day, or (iii) the next Business Day when delivered by overnight courier. Addresses for delivery of notices are as follows:

For District:	The District of Columbia 1350 Pennsylvania Avenue, N.W. Suite 521 Washington, D.C. 20004 Attn: City Administrator
With a copy to:	Office of the Deputy Mayor for Planning and Economic Development 1350 Pennsylvania Avenue, N.W. Suite 317 Washington, D.C. 20004 Attn: General Counsel
For Team:	DC Soccer LLC c/o DC United 2400 East Capitol Street, S.E. Washington, DC 20003 Attention: Jason Levien
and to:	DC United 2400 East Capitol Street, S.E. Washington, D.C. 20003 Attention: Tom Hunt
With a copy to:	Arent Fox LLP 1717 K Street, N.W. Washington, D.C. 20036 Attention: Richard A. Newman, Esq.

Any party may from time to time by written notice given to the other parties pursuant to the terms hereof change the address to which notices shall be sent.

#### 7.8 Counterparts

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same fully executed agreement Delivery of an executed counterpart of a signature page to this Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

## 7.9 MLS Supremacy

Anything to the contrary notwithstanding herein contained, this Agreement and the obligations of the Team hereunder and under any agreement referred to herein shall be and are in all respects subordinate to the Rules and Regulations, as amended from time to time; provided, however, that nothing in this Section 7.9 shall be construed to limit or impair the District's rights and remedies against the Team in the event of a breach of the obligations in Section 2.3 regarding non-relocation, except that if such breach arises from MLS terminating, suspending or cancelling the right of the Team Operator to operate the Team, the District shall have no right to assert damages against the Team except to the extent of any termination payment made by or at the direction of MLS to the Team.

[Remainder of page intentionally blank - Signature page follows]

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date first above written.

**DISTRICT OF COLUMBIA**, a municipal corporation

By:	
Name:	
Title:	

**DC SOCCER LLC**, a Delaware limited liability company

By:		
Name:	-	
Title:		

# EXHIBIT J

## **Bankruptcy Remote Entity**

In order to preserve and ensure its separate and distinct identity, the Lessee will conduct its affairs in accordance with the following provisions:

It will establish and maintain an office through which its business will be (1)conducted separate and apart from that of any Affiliate and will allocate fairly and reasonably any overhead for shared office space.

It will maintain records, bank accounts and books of account separate from (2)those of any Affiliate.

- It will observe all "corporate" formalities. (3)
- It will not commingle its funds or assets with those of any Affiliate. (4)
- It will conduct its own business and hold all of its assets in its own name. (5)

It will maintain financial statements separate from any Affiliate, or if such (6) financial statements are consolidated, it will cause such financial statements to contain footnotes disclosing that the Stadium is owned by the Lessee, not the Affiliate with which the financial statements are consolidated, and indicating that the Lessee's separate assets and liabilities are not available to pay the debts of any Affiliates and do not constitute obligations of any Affiliates.

It will pay its expenses and liabilities, including salaries of any employees, (7)out of its own funds, not funds of any Affiliate.

> (8) It will maintain an arm's length relationship with any Affiliate.

(9)It will not guarantee or become obligated for the debts or obligations of any other entity, including any Affiliate. It will not hold itself out to be responsible for debts or obligations of any other entity, including any Affiliate.

> It will use stationery, invoices and checks separate from any Affiliate. (10)

(11)It will not pledge its assets for the benefit of any other entity, including any Affiliate.

It will hold itself out to the public as a legal entity separate and distinct from (12)any entity, including any Affiliate, and conduct its business solely in its own name in order not to (i) mislead others as to the identity with which such other party is transacting business or (ii) suggest that Lessee is responsible for the debts of any third party or any Affiliate.

(13) It will maintain its deposit accounts separate from any Affiliate.

(14) It will not acquire obligations or securities of any Affiliate.

(15) It will not make any loans or advances to any third parties, including any Affiliate, or buy or hold indebtedness issued by any other Person.

(16) It will correct any known misunderstanding regarding its separate identity.

(17) It will maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any other Person.

(18) It will use commercially reasonable efforts to maintain a sufficient number of employees (if any) in light of its contemplated business operations.

(19) Except as set forth in the following sentence, it will not permit any Affiliate access to the Lessee's bank accounts. Notwithstanding the previous sentence, an Affiliate functioning as the manager of the Stadium may have access to the Lessee's bank accounts as expressly provided in the applicable property management agreement, but in no event will any such property manager that also has access to the bank accounts of any other Affiliate manage such access in a manner that would result in a violation of paragraphs (4) or (13) above.

(20) It will not conceal assets from any creditor, or enter into any transaction with the intent to hinder, delay or defraud its creditors or creditors or any other Person.

(21) It will file its own tax returns separate from those of any other Person, except to the extent that the Lessee is treated as a "disregarded entity" for tax purposes and is not required to file tax returns under applicable law, and will pay any taxes required to be paid under applicable law.

(22) It will not enter into any contract or agreement with any Affiliate except upon terms and conditions that are intrinsically fair and substantially similar to those that would be available on an arms'-length basis with third parties other than Affiliates.

(23) It will not hold itself out as a department or division of any Affiliate or any other Person and will correct any known misunderstanding regarding its separate identity.

(24) It will not make any distribution that, as of the time of such distribution, based upon information reasonably available to the Lessee, would cause the Lessee to become insolvent or have unreasonably small capital.

# <u>EXHIBIT K</u>

#### AGREEMENT

AGREEMENT made this  $\cancel{P}^{\mathcal{H}}$  day of  $\cancel{\mathcal{B}}^{\mathcal{H}}$  2015 by and between UNITE HERE Local 25, and its successors and assigns ("Union") of UNITE HERE International Union and DC Stadium, LLC, as well as its successors or assigns of the below described project (collectively "Employer").<sup>1</sup>

WHEREAS, Employer is in the process of developing a project(s) which will involve construction of a soccer stadium at the soccer stadium site described in Section 103 of D.C. Act 20-557 (Dec. 30, 2014), and its food, service and concessions at the soccer stadium site, and hotel development project(s) located on the Adjacent Land (as defined in Exhibit A-2 to the original ground lease between DC Stadium LLC and the District of Columbia) (collectively, "Project");

WHEREAS, the parties wish to ensure that the employees in the below described bargaining unit ("Employees") have the opportunity to express their desire whether or not to be represented for purposed of collective bargaining in an atmosphere free from intimidation, restraint, coercion or discrimination; and

WHEREAS, the parties wish to resolve any disputes related to any organizing drive and representational issues amicably, without resort to litigation or proceedings before the National Labor Relations Board ("Board"). Courts, or other governmental agency;

WHEREAS, the parties have exchanged good and valuable consideration the receipt of which is hereby acknowledged.

NOW THEREFORE, the parties agree as follows:

1... The bargaining unit shall include all full and part-time employees at the Project in the elassifications or departments listed in Exhibit A, or any other departments or classifications performing similar work under another name, or any combination thereof sought by the Union ("Bargaining Unit"). The Bargaining Unit shall not include those employees specifically excluded in Exhibit A. The Bargaining Unit employees shall be referred to as "Employees".

<sup>&</sup>lt;sup>1</sup> The term "Employer" shall also include, but not be limited to, any current or future operator, manager, concessionaire or subcontractor employing Employees, defined below, which shall abide by and be bound by this Agreement at the project, defined below. Accordingly, as used in the body of this Agreement, the term "Employer" shall also include any such entity.

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2. The parties acknowledge and agree that the Bargaining Unit(s) described herein constitute an appropriate unit .

3. The parties mutually recognize that the National Labor Relations Act ("NLRA") guarantees employees the right to form or select any labor organization to act as their exclusive representative for purposes of collective bargaining with their employer, or to refrain from such activity. Both the Union and Employer agree to respect the NLRA Section 7 rights of employees and neither party shall, or be required to, act in contravention of those rights.

4. Prior to the start of initial hiring, the Employer shall notify the Union of its intent to hire and the positions that it seeks to fill and the qualifications therefore. The Union may furnish applicants for the job vacancies specified by the Employer. The Union's selection of applicants for referral shall be on a non-discriminatory basis and shall not be based upon or in any way affected by membership in the Union or the Union's bylaws, rules, regulations, constitutional provisions, or any other aspects or obligation of Union membership policies or requirements, or upon personal characteristics of an applicant where discrimination based upon such characteristics is prohibited by law. Any interest demonstrated by an applicant in joining the Union shall not constitute grounds for discriminatory or disparate treatment nor adversely impact the applicant's ability to be hired by the Employer. The Employer shall be the sole judge of an applicant's suitability, competence and qualifications to perform the work of any job to be filled and shall not be precluded from interviewing or hiring applicants from any other source.

5. There shall be no lockouts of the Employees by the Employer, and the Union shall not cause any disruption of work by the Employees or of operations during organizing activity, nor shall it cause or encourage any other entity to cause any picketing, strikes, slow downs, boycotts, demonstrations, rallies, handbilling, corporate campaigns, or other work stoppages at the Project or at any other Employer facility to the extent the activity arose exclusively as a result of a dispute at the Project. Nothing herein shall prohibit the Union from taking any action against any Employer at any location other than the Project which arises as the result of a dispute with such Employer at any location other than the Project. This paragraph shall not apply to the adversely affected party in the event the other party fails to abide by any an award or decision of the Arbitrator within three (3) business days after issuance. This paragraph shall not apply to the Union in the event the Employer recognizes any other labor organization as the representative of any Employees.

6. The Employer specifically agrees that its supervisory employees, its agents and/or representatives will not act or make any statement that will directly or indirectly imply the Employer's opinion as to whether or not the employees should unionize or support any union or as to the reputation of any union or any of its officers. The Union and its representatives will not coerce or threaten any Employee in an effort to obtain authorization cards.

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7. The Union will begin its organization of the employees at any time upon notice to the Employer. The Union will be permitted to have its organizers or representatives enter the Project to meet with Employees during the Employees' non-working times (for example, before work, after work, and during shift changes, meals and breaks) in non-public areas of the Project and/or during such other periods and locations as the parties may mutually agree upon in writing. Union representatives will comply with appropriate, non-discriminatory security and regulatory requirements applicable to all employees when accessing the Project, provided such requirements man not be used to deny or delay access.

8. Within seven (7) days following receipt of the above described written notice of intent to organize Employees, the Employer will furnish the Union with a complete list of such Employees including both full and part-time Employees, showing their job classifications and departments, work schedules, wage rates, benefits, and the home addresses and telephone numbers of all Employees. Thereafter, the Employer will promptly provide updated lists, upon request, to the Union for the duration of the organizing drive.

9. The Arbitrator shall conduct card counts to determine whether the Union has obtained valid cards from a majority of the Employees designating the Union as their representative for purposes of collective bargaining ("Cards") and to certify the results of such card count in accordance with the procedure set forth herein.

10. At any time after the commencement date of the Union's organizing effort, the Union may request that a card count be conducted by the Arbitrator. The Union shall initiate that process by advising the Employer in writing ("Notification Letter") that it represents a majority of the full-time and part-time employees employed by the Employer in the Bargaining Unit sought by it. The date of the Union's Notification Letter shall be the date ("Notification Date") used for purposes of determining the composition of the list of the names and the Employees to be furnished by the Employer to the Arbitrator.

11. As soon as practicable after the delivery of the Notification Letter by the Union to the Employer indicating its majority status, the Union shall notify the Arbitrator in writing that his services are requested for purposes of conducting a card count. The Union shall confirm to the Employer that the Arbitrator has retained jurisdiction of the card count proceeding. As soon as practicable thereafter, but in any event no later than seven (7) days after the date of the Union's written card count request made to the Arbitrator, the Union shall furnish to the Arbitrator the Cards it has obtained from the Employees, and the Employer shall furnish the Arbitrator the list containing the names, job classifications and social security numbers of Employees employed as of the date of the Union's Notification Letter (with a copy to the Union) together with copies of official employment documents containing the signatures of each of the Employees (e.g. Forms 1-9, Form W4 or similar documents).

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12. Within forty-eight (48) hours after his receipt of the documents described above, the Arbitrator shall conduct a card count by checking the Cards against the list of Employees and by comparing the Employees' names and signatures appearing on the Cards to the names and signatures appearing on the employees' names and signatures supplied to the Arbitrator by the Employer. At the conclusion of the card count, the Arbitrator shall inform the parties of the results of his count and shall certify in writing that either the Union has or has not been selected by a majority of eligible Employees as their collective bargaining representative. Both the Employer and the Union agree to abide by the determinations made by the Arbitrator regarding any challenges either to the validity of the Cards, the eligibility of Employees, the appropriateness of the unit and/or to the majority status of the Union.

13. If, after the conduct of the card count(s), the Union fails to be certified by the Arbitrator as the majority representative of the eligible Employees, this Agreement shall be deemed to continue in full force and effect, unless it is otherwise terminated in writing by mutual agreement of the parties.

14. (a) If the Union is certified as the majority representative, the Employer must recognize the Union and the Employer and the Union will promptly and expeditiously commence negotiations at a mutually agreeable time and place, for a collective bargaining agreement. Negotiations shall commence and continue regardless of whether any notice of recognition provided by the Board is posted or petition for election is filed or pending.

(b) If the parties are unable to reach an agreement within one-hundred twenty (120) days after the commencement of negotiations, they shall exchange written last and final offers on all open issues within fifteen (15) days following the expiration of the 120-day period, and shall submit the same for final and binding resolution through an interest arbitration conducted by an arbitration panel consisting of three members (Panel). The hearing shall be completed within a reasonable period of time, before the Panel selected as provided in Paragraph 15(b) below. The parties may, by mutual agreement, extend the 120-day period for negotiation.

(c) The Panel shall select the final offer that the Panel determines is the more reasonable, based on its consideration of the following factors:

(i) the issues on which the parties have reached agreement;
(ii) the terms and conditions in effect at other comparable unionized venues in the relevant market (e.g., the District of Columbia);
(iii) the terms and conditions included in other first contracts reached by the Union at other comparable venues in the relevant market;
(iv) the specific operations of the newly-organized venue including but not limited to the type of operation, employee productivity, and guest/customer focused concerns; and

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(v) that the contract will be the first reached by the parties at the venue, and the absence of attendance, financial, and other data concerning the economics of the venue.

The Panel shall not have the power to modify any offer or part thereof made by any party, and may not consider alternate or amended proposals of the parties (unless by mutual agreement of the parties).

(d) The parties shall submit post-hearing briefs within 21 days of receipt of the hearing transcript, unless the parties mutually agree to, or the Panel orders, a different deadline. By agreement of the parties or order of the Panel, the parties may also submit pre-hearing briefs. The Panel shall issue its award as expeditiously as possible, but not later than 45 days following submission of the post-hearing briefs. There shall be no appeal from the Panel's award. The costs of the hearing and the Panel's fees shall be split equally between the parties. All other costs incurred by any party (including attorneys fees) shall be the responsibility of that party.

15. (a) The arbitrator referred to in sections 9 – 13 herein shall be Elliott Shriftman or, if unavailable, Stephen O'Beirne, ("Arbitrator") who shall be guided by the Labor Arbitration Rules of the American Arbitration Association to the extent consistent herewith.

(b) Promptly and expeditiously upon the Union's certification as the majority representative, the Union and Employer shall each designate a person to serve on the Panel. If the parties are unable to reach an agreement within one-hundred twenty (120) days after the commencement of negotiations, and they proceed to interest arbitration, the Panel member selected by the Union and the Panel member selected by Employer shall promptly and expeditiously select a third neutral Panel member. In the event that they are unable or fail to select a third neutral Panel member within 15 days after expiration of said 120 day period, the parties shall appoint the third neutral Panel member by jointly requesting that the Federal Mediation and Conciliation Service ("FMCS") provide the parties with a list of seven (7) arbitrators who are members of the National Academy of Arbitrators and who maintain an office in FMCS Regions 6, 7, or 8 (the Northeast and Mid-Atlantic States), and the parties shall alternately strike that list to select the arbitrator who shall serve as the third neutral Panel member.

16. Any costs incurred by the parties in instituting proceedings before the Arbitrator, or defending against same, shall be the responsibility of the respective party. Costs charged by the Arbitrator shall be shared and paid equally by the parties.

17. Any award or decision issued by the Arbitrator, written or otherwise, shall be final and binding upon the parties, and shall be enforceable in the United States District Court for the District of Columbia.

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18. All complaints, disputes or grievances arising between the parties hereto involving questions or interpretation or application of any clause of this Agreement or the matters discussed herein, or any acts, conduct or relations between the parties, directly or indirectly, which shall not have been adjusted by and between the parties involved shall be referred to the Arbitrator, and his/her decision shall be final and binding upon the parties hereto.

19. In addition to and without limiting any of the foregoing, the Employer and Union also agree that the Arbitrator shall be empowered to issue such remedial orders as are consistent with applicable NLRB standards or necessary to ensure the maintenance of the neutral environment and/or to penalize the Employer or the Union for violating their obligations hereunder or under the NLRA, including an order to bargain in accordance with applicable NLRB standards, or other injunctive relief, and/or monetary or punitive damages to either party.

20. With regard to this Agreement and any and all matters discussed herein, the parties knowingly and voluntarily waive the right to or cause or encourage any individual or entity to file any petitions, charges, objections, or complaints before any court or governmental agency, including, but not limited to, any petition, objection, or unfair labor practice before the Board, and agree that the Arbitrator shall be the exclusive forum in which to resolve any such dispute.

21. In the event of recognition, the Employer shall not file a notice of voluntary recognition with the NLRB, so that the decision of when and whether to provide such notice is within the sole discretion of the Union. If the Union notifies the NLRB of recognition pursuant to this Agreement, the Employer shall post the NLRB notice of recognition in accordance with the instructions from the NLRB immediately upon receipt of the notice. The Union and the Employer agree that if any other person or entity petitions the NLRB for any election as a result of or despite recognition of the Union pursuant to this Agreement, (a) the Employer and the Union will each request that the NLRB dismiss the petition on grounds of recognition bar or, if they have agreed to a collective bargaining agreement covering Employees at the time the petition is filed, on grounds of contract bar, (b) if the petition is not dismissed, the Employer and the Union shall agree to a full consent election agreement under Section 102.62(c) of the NLRB's Rules and Regulations, and (c) the Employer and the Union shall at all times abide by the provisions of this Agreement except the Union may file unfair labor practice charges<sup>2</sup> and objections notwithstanding Paragraph 20. The Employer, its supervisory employees, agents and/or representatives, will not, directly or indirectly, support, encourage, recommend, facilitate, solicit, or advise any person or entity to file a petition with the NLRB, other than posting the notice of voluntary recognition in accordance with this Paragraph. Failure to comply with the foregoing paragraph will immediately relieve the Union of its no-strike obligation under

<sup>&</sup>lt;sup>2</sup> Prior to filing an unfair labor practice charge against the Employer, the Union shall attempt to obtain written assurances from the NLRB that any such charge may be deferred to arbitration pursuant to this Agreement and have the same effect as an unfair labor practice charge, without resort to the filing of a formal unfair labor practice charge.

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Paragraph 5. Nothing herein shall be construed to require Employer or Union to act contrary to the law.

22. If any provision or portion of this Agreement is deemed invalid or unenforceable, it shall not affect the remainder of this Agreement and the parties shall promptly meet to negotiate substitute provisions, which effectuate the intent of the parties. Failing agreement the matter shall be submitted to the Arbitrator for final and binding resolution.

23. This Agreement shall be binding on the successor and assigns of the parties hereto, including, but not limited to, any entity obtaining any rights under the revised development agreement or the revised ground lease, as described in Section 104(c)(2) of D.C. Act 20-557, and any concessionaire or subcontractor, or other entity which is an Employer of Employees in the Bargaining Unit ("Successor"). Further, no provisions, terms, or obligations herein contained shall be affected, modified, altered or changed in any respect whatsoever by the consolidation, merger, sale, transfer, or assignment of any party hereto or affected, modified, altered or changed in any respect whatsoever by any change of any kind in the legal status, ownership, or management of any party hereto.

24. The parties understand and agree that this Agreement is premised on the Employer's arrangements with the Government of the District of Columbia in the Development Agreement, Ground Lease Agreement, and Stadium Act that are the foundation for the Project. If the terms of any of those arrangements are changed, this Agreement shall terminate. Unless mutually agreed to in writing by the parties, all terms of this Agreement, including, but not limited to, those relating to the provision of information, access and neutrality, shall continue uninterrupted until a collective bargaining agreement(s) covering all Employees employed by Employer is effective. except in the case in which a petition or complaint is filed with the NLRB or other governmental agency or entity, in which case this Agreement shall not terminate until such petition or complaint is fully resolved or disposed of and a valid and enforceable collective bargaining agreement(s) has become effective.

25. The parties hereto are fully authorized to enter into and execute this Agreement.

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Agreed and Accepted:

Date: FEBRUAR 2015

UNITE HERE Local 25 (on behalf of itself and its successors and assigns) Of UNITE HERE International Union

John A. Boardman Executive Vice President, UNITE HERE

Authorized to sign

DC Stadium, LLC Employer

Name: Tom Hunt Title: Chief Operating Officer

Authorized to sign

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#### EXHIBIT A

Included: All full-time and part-time stand workers, cart workers, food & beverage, (kitchen employees, cook, cook, grill cook, food preparation worker, servers, bussers, bartenders, general utility workers, cleaning workers employed by the Employer, stewards and storeroom employees), lead cashiers, cashiers, stocking and warehouse employees,Hotel, Conference Center, Restaurant, Bar, Banquet, Cashiers, Hosts, Housekeeping, Cleaners, Guest Service, Front Service, PBX, Front Desk, Engineering, Maintenance, Reservations, Banquets, Room Service, Kitchen, Stewarding, Food and Beverage, Bar, Dining Room, Employee Cafeteria, Laundry, Valet, Parking, Coat Check, Shipping and Receiving, Business Center, Audio Visual, Health Club, Spa, Minibar, and Concierge.

Excluded: Statutory supervisors, security, managers, chefs, office clericals, guards and confidential employees as defined by the National Labor Relations Act, and any person not employed in food service and/or concessions at the soccer stadium site, and/or in related hotel development project(s) located on the Adjacent Land (as defined in Exhibit A-2 to the original ground lease between DC Stadium LLC and the District of Columbia) (collectively, "Project")...

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#### SIDE LETTER REGARDING UNION ORGANIZING ACTIVITIES

Within 21 days of the Union's notice to the Employer that it is beginning its organization of the Employees, the Employer shall make available on the premises an area for the Union's organizers to meet with Employees, and Employees shall be released from their duties to meet, if they wish, with the Union's organizers on unpaid time. The location, time, and length of such meeting shall be arranged by mutual agreement of the parties following the Union's notice.

This Side Letter does not restrict the Union's rights to organize the Employees and meet with them as set forth in the Labor Peace Agreement (LPA), but the Employer and Union expect that the contemplated meeting with employees will simplify and expedite communications with Employees. In accordance with the terms of the LPA, the other activities in support of organization of the Employees should not disrupt the Employer's operations.

Labor Peace Agreement Soccer Stadium JB v 1a 9\_18\_13.DCUnited Virk Revisions.21815 (UNION 2-20-15) (FINAL-CLEAN).doc 10 of 10