

City of Glendale Council Workshop & Executive Session Agenda

November 20, 2012 – 1:30 p.m.

Workshop meetings are telecast live at 1:30 p.m. on the first and third Tuesday of the month. Repeat broadcasts are telecast the first and third week of the month – Wednesday at 3:00 p.m., Thursday at 1:00 p.m., Friday at 8:30 a.m., Saturday at 2:00 p.m., Sunday at 9:00 a.m. and Monday at 2:00 p.m. on Glendale Channel 11.

Welcome!

We are glad you have chosen to attend this City Council workshop. We hope you enjoy listening to this informative discussion. At these “study” sessions, the Council has the opportunity to review and discuss important issues, staff projects and future Council meeting agenda items. Staff is present to answer Council questions.

Form of Government

Glendale follows a Council-Manager form of government. Legislative policy is set by the elected City Council and administered by the Council-appointed City Manager.

The City Council consists of a Mayor and six Councilmembers. The Mayor is elected every four years by voters city-wide. Councilmembers hold four-year terms with three seats decided every two years. Each of the six Councilmembers represent one of the six electoral districts and are elected by the voters of their respective districts (see map on back).

Workshop Schedule

Council workshops are held on the first and third Tuesday of each month at 1:30 p.m. in the Council Chambers of the Glendale Municipal Office Complex, 5850 W. Glendale Avenue, Room B-3, lower level. The exact dates of workshops are scheduled by the City Council at formal Council meetings. The workshop agenda is posted at least 24 hours in advance.

Agendas may be obtained after 4:00 p.m. on the Friday before a Council meeting, at the City Clerk's Office in the Municipal Complex. The agenda and supporting documents are posted to the city's Internet web site, www.glendaleaz.com.

Executive Session Schedule

Council may convene in “Executive Session” to receive legal advice and discuss land acquisitions, personnel issues, and appointments to boards and commissions. As provided by state statute, this session is closed to the public.

Questions or Comments

If you have any questions or comments about workshop agenda items or your city government, please call the City Manager's Office at (623) 930-2870.

If you have a concern you would like to discuss with your District Councilmember, please call (623) 930-2249, Monday - Friday, 8:00 a.m. – 5:00 p.m.

Public Rules of Conduct

The presiding officer shall keep control of the meeting and require the speakers and audience to refrain from abusive or profane remarks, disruptive outbursts, applause, protests, or other conduct which disrupts or interferes with the orderly conduct of the business of the meeting. Personal attacks on Councilmembers, city staff, or members of the public are not allowed. Engaging in such conduct, and failing to cease such conduct upon request of the presiding officer will be grounds for removal of any disruptive person from the meeting room, at the direction of the presiding officer.

Citizen Participation

The City Council does not take official action during workshop sessions. These meetings provide Council with an opportunity to hear a presentation by staff on topics that may come before Council at a voting meeting. There is no Citizen Comments portion on the workshop agenda.



**** For special accommodations or interpreter assistance, please contact the City Manager's Office at (623) 930-2870 at least one business day prior to this meeting. TDD (623) 930-2197.**

**** Para acomodacion especial o traductor de español, por favor llame a la oficina del administrador del ayuntamiento de Glendale, al (623) 930-2870 un día hábil antes de la fecha de la junta.**

Councilmembers

Norma S. Alvarez - Ocotillo District
Vacant - Cactus District
Manuel D. Martinez - Cholla District
Joyce V. Clark - Yucca District
Yvonne J. Knaack – Barrel District



MAYOR ELAINE M. SCRUGGS

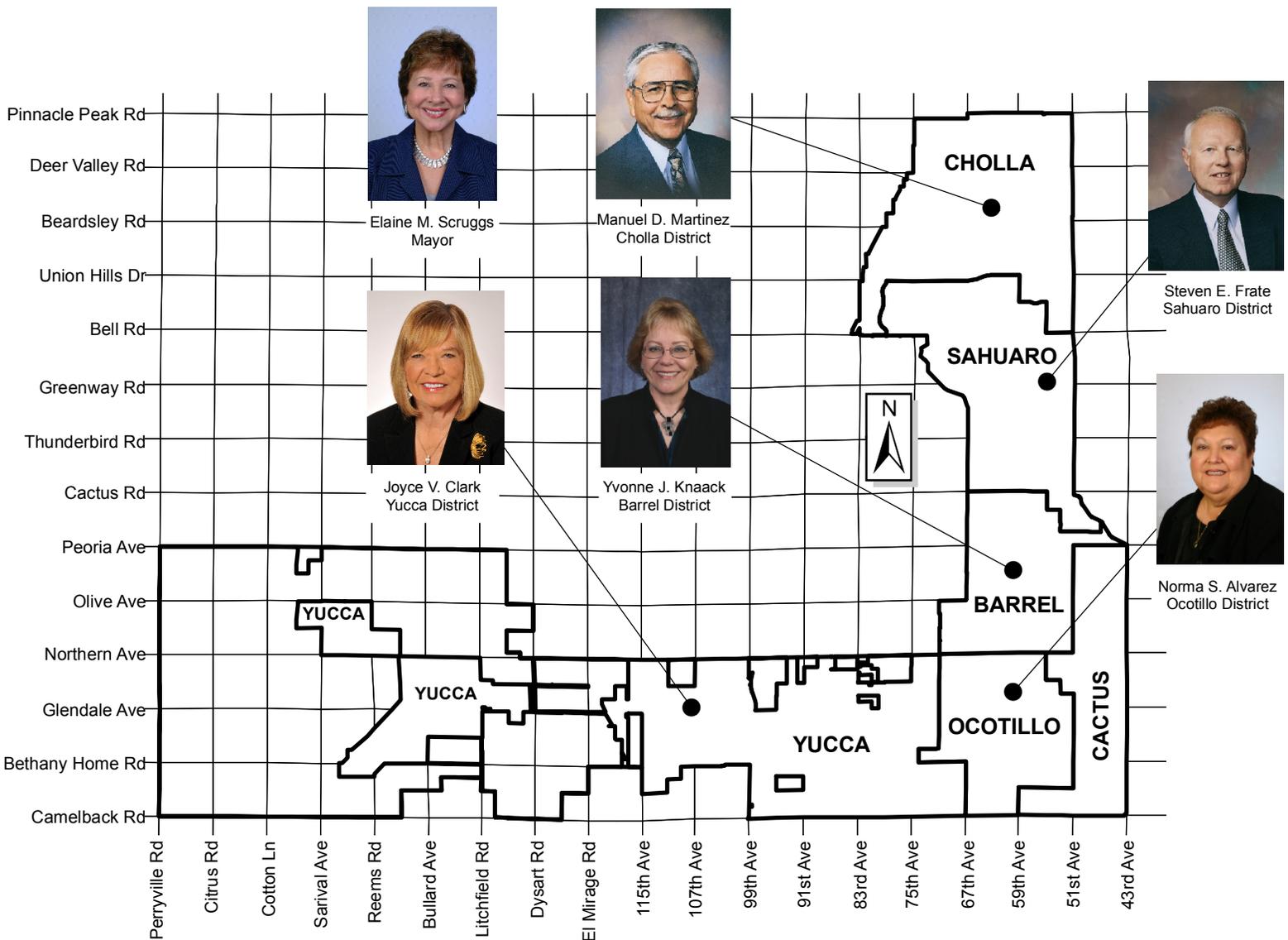
Vice Mayor Steven E. Frate - Sahuaro District

Appointed City Staff

Horatio Skeete – Acting City Manager
Craig Tindall – City Attorney
Pamela Hanna – City Clerk
Elizabeth Finn – City Judge



Council District Boundaries





GLENDALE CITY COUNCIL WORKSHOP SESSION
Council Chambers - Workshop Room
5850 West Glendale Avenue
November 20, 2012
1:30 p.m.

One or more members of the City Council may be unable to attend the Workshop or Executive Session Meeting in person and may participate telephonically, pursuant to A.R.S. § 38-431(4).

WORKSHOP SESSION

1. COUNCIL VACANCY

PRESENTED BY: Horatio Skeete, Acting City Manager

2. CITY MANAGER RECRUITMENT DISCUSSION

PRESENTED BY: Horatio Skeete, Acting City Manager

3. FOLLOW YOUR MONEY ENHANCEMENTS AND MY GLENDALE SERVICES

PRESENTED BY: Diana Bundschuh, Deputy Chief Information Technology Officer
Diane Goke, Chief Financial Officer
Christian Polintan, Sr. Systems Analyst

4. PUBLIC SAFETY MEMORIAL

PRESENTED BY: Debora Black, Interim Police Chief

5. CITY MANAGER UPDATE ON ANNEXATION INQUIRIES AND SALES TAX REVENUE

PRESENTED BY: Horatio Skeete, Acting City Manager

6. CITY CODE CHAPTER XIII ORDINANCE AMENDMENTS

PRESENTED BY: Elizabeth Finn, Presiding Judge

7. ARENA MANAGEMENT AGREEMENTS UPDATE

PRESENTED BY: Horatio Skeete, Acting City Manager

CITY MANAGER'S REPORT

This report allows the City Manager to update the City Council. The City Council may only acknowledge the contents to this report and is prohibited by state law from discussing or acting on any of the items presented by the City Manager since they are not itemized on the Council Workshop Agenda.

EXECUTIVE SESSION

1. LEGAL MATTERS

A. The City Council will meet with the City Attorney for legal advice, discussion and consultation regarding the city's position in pending or contemplated litigation, including settlement discussions conducted in order to avoid or resolve litigation. (A.R.S. § 38-431.03(A)(3)(4))

2. LEGAL MATTERS – PROPERTY & CONTRACTS

A. Discussion and consultation with the City Attorney and City Manager to receive an update, consider its position and provide instruction and direction to the City Attorney and City Manager regarding Glendale's position in connection with agreements associated with the Arena and the Hockey Team, which are the subject of negotiations. (A.R.S. § 38-431.03(A)(3)(4)(7))

3. PERSONNEL MATTERS

A. The City Council will meet with the Acting City Manager to discuss ongoing goals and expectations. (A.R.S. § 38-431.03(A)(1))

Upon a public majority vote of a quorum of the City Council, the Council may hold an executive session, which will not be open to the public, regarding any item listed on the agenda but only for the following purposes:

- (i) discussion or consideration of personnel matters (A.R.S. § 38-431.03(A)(1));**
- (ii) discussion or consideration of records exempt by law from public inspection (A.R.S. § 38-431.03(A)(2));**
- (iii) discussion or consultation for legal advice with the city's attorneys (A.R.S. § 38-431.03(A)(3));**
- (iv) discussion or consultation with the city's attorneys regarding the city's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid or resolve litigation (A.R.S. § 38-431.03(A)(4));**
- (v) discussion or consultation with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations with employee organizations (A.R.S. § 38-431.03(A)(5)); or**
- (vi) discussing or consulting with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property (A.R.S. § 38-431.03(A)(7)).**

Confidentiality

Arizona statute precludes any person receiving executive session information from disclosing that information except as allowed by law. A.R.S. § 38-431.03(F). Each violation of this statute is subject to a civil penalty not to exceed \$500, plus court costs and attorneys' fees. This penalty is assessed against

the person who violates this statute or who knowingly aids, agrees to aid or attempts to aid another person in violating this article. The city is precluded from expending any public monies to employ or retain legal counsel to provide legal services or representation to the public body or any of its officers in any legal action commenced for violation of the statute unless the City Council takes a legal action at a properly noticed open meeting to approve of such expenditure prior to incurring any such obligation or indebtedness. A.R.S. § 38-431.07(A)(B).

Items Respectfully Submitted,



Horatio Skeete
Acting City Manager



CITY COUNCIL REPORT

Meeting Date: **11/20/2012**
Meeting Type: **Workshop**
Title: **COUNCIL VACANCY**
Staff Contact: **Horatio Skeete, Acting City Manager**

Purpose and Policy Guidance

This is a request for Council to discuss and consider the process for filling the Councilmember vacancy in the Cactus District.

Background Summary

The Glendale City Charter provides for vacancies in the Council and Office of the Mayor. The Charter states:

Art. II, Sec. 12. Vacancies in Council and Office of the Mayor.

The council, by majority vote of its remaining members, shall fill the vacancies in its own membership and in the office of the mayor for the unexpired terms.

Attachments

None



CITY COUNCIL REPORT

Meeting Date: **11/20/2012**
Meeting Type: **Workshop**
Title: **CITY MANAGER RECRUITMENT DISCUSSION**
Staff Contact: **Horatio Skeete, Acting City Manager**

Purpose and Policy Guidance

This is a request for Council to discuss and consider the process for filling the City Manager position.

Background Summary

The former City Manager retired from the City of Glendale on June 8, 2012. Council took action to appoint an Acting City Manager on June 12, 2012. During the June 12th meeting, it was discussed that Council had decided amongst themselves that the selection of the new City Manager should be undertaken by those who will be serving after the installation in January 2013. Once it is known who the seven members of Council will be, following the canvass of votes in November, those members will form some type of committee to decide how they want to proceed with the search.

The Glendale City Charter provides for the appointment of the City Manager. The Charter states:

Art. III, Sec. 1. Appointment of City Manager

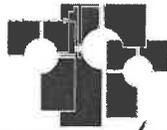
The council shall appoint an office of the city who shall have the title of City Manager and shall have the powers and perform the duties provided in this charter. No councilman shall receive such appointment during the term for which he shall have been elected, nor within one (1) year after the expiration of this term.

Art. III, Sec. 2. The City Manager; qualifications

The City Manager shall be chosen by the Council solely on the basis of his executive and administrative qualifications with special reference to his actual experience in, or his knowledge of, accepted practice in respect to the duties of his office as hereinafter set forth. At the time of his appointment, he need not be a resident of the city or state, but during this tenure of office he shall reside within the city.

Attachments

Excerpt of Meeting Minutes



GLENDALE

**MINUTES OF THE
GLENDALE CITY COUNCIL MEETING**

**Council Chambers
5850 West Glendale Avenue**

June 12, 2012

7:00 p.m.

The meeting was called to order by Mayor Elaine M. Scruggs, with Vice Mayor Steven E. Frate and the following Councilmembers present: Joyce V. Clark, Yvonne J. Knaack, H. Philip Lieberman and Manuel D. Martinez.

Councilmember Norma S. Alvarez participated and voted by telephone.

Also present were Horatio Skeete, Assistant City Manager; Craig Tindall, City Attorney; and Pamela Hanna, City Clerk.

Mayor Scruggs called for the Pledge of Allegiance and a moment of silence was observed.

COMPLIANCE WITH ARTICLE VII, SECTION 6(c) OF THE GLENDALE CHARTER

A statement was filed by the City Clerk that the 8 resolutions and 3 ordinances to be considered at the meeting were available for public examination and the title posted at City Hall more than 72 hours in advance of the meeting.

APPROVAL OF THE MINUTES OF THE MAY 22, 2012 CITY COUNCIL MEETING

It was moved by Clark, and seconded by Lieberman, to dispense with the reading of the minutes of the May 22, 2012 Regular City Council meeting, as each member of the Council had been provided copies in advance, and approve them as written. The motion carried unanimously.

PROCLAMATIONS AND AWARDS

AWARD FOR PARTICIPATION IN THE RAPID ANTI-CONVULSIVE MEDICINE PRIOR TO ARRIVAL TRIAL

This is a request for City Council to receive an award from the University of Arizona for the Glendale Fire Department's participation in the Rapid Anti-Convulsive Medicine Prior to Arrival Trial (RAMPART). Kurt Denninghoff, MD, Distinguished Chair of Emergency Medicine and

Goodyear. She will vote to support the sales tax and hopes to bring it down in the near future when possible.

Vice Mayor Frate asked if the agreement tonight will include a sunset clause in five years. Mr. Tindall stated the sunset rule will be reflected in the ordinance. Councilmember Clark noted Council will be dealing and voting on that ordinance tonight. Mr. Tindall stated Council can always offer an amendment to the ordinance.

Mayor Scruggs stated that the five year forecast is wrong. So just so you know when you vote for this sunset thing - this tax is going to go away, you're already short \$3 million in the budget book. So the projection that in 2017 the city will have this humongous sum of \$11 million in its GF, which is so far below any financial guidelines we've ever had - that will now go down to \$8 million. But go ahead. Some of the folks out here will have to deal with it, she stated.

Councilmember Clark moved to include a sunset amendment to the ordinance. Mr. Tindall provided the correct wording.

Mayor Scruggs noted they had lost connection with Councilmember Alvarez and will wait to get reconnected to proceed with the vote.

It was moved by Clark, and seconded by Knaack, to approve Ordinance No. 2807 New Series and amend Section 4, to reflect the effective dates of the ordinance as follows: the provisions of this Ordinance shall become effective on August 1, 2012 and shall terminate on August 1, 2017. Motion carried on a roll call vote, with the following Councilmembers voting "aye": Clark, Knaack, Frate and Martinez. Members voting "nay": Alvarez, Lieberman and Scruggs.

It was moved by Clark, and seconded, by Lieberman, to hear item 23 out of order, at this time. The motion carried unanimously.

23. COUNCIL APPOINTMENT OF ACTING CITY MANAGER

This item was moved forward on the agenda.

This is a request for the City Council to appoint an acting city manager.

The Glendale City Charter provides for the appointment of an acting city manager. The Charter states:

Art. III, Sec. 5. Assistant City Manager

. . . In the event the city manager resigns or is removed for any reason, the council shall appoint an acting city manager at the first regular meeting following such vacancy.

The Mayor will accept a motion or motions, call for a second, and conduct a vote of the Council that shall, by virtue of assent of a majority, appoint an acting city manager.

Councilmember Alvarez informed the public she supports the appointment of Horatio Skeete as acting city manager, however, only as interim city manager until the Council gets to fully evaluate him. She would like to make that very clear as they move forward. She explained a whole vetting system should be in place to find the right person to be the next city manager after January. Councilmember Lieberman explained the action taken tonight by Charter requires Mr. Skeete's appointment become effective tonight. Councilmember Alvarez agreed.

Arthur Thruston, a Cactus resident, commented that this was a critical vote in this process of managing the city without any secrets. He stated that for many weeks and months, many have requested information from the city and never received any response. He suggested the city conduct audits across the board in every area to be done yearly. He would also like to see a roll call vote on every vote so the public can see where every Councilmember stood on the issues. He would like the city to stop having secret meetings such as the ones Mr. Beasley had been having when he brought a hockey person to meet with each Councilmembers in private instead of having everything be transparent. He stated the Mayor should have been provided with information about the hockey team when she first asked for help but instead was stonewalled. He said he disapproves of the Council's Executive Sessions and hopes they do away with them except for personnel votes.

Mayor Scruggs commented that interestingly enough, Council had some of these same conversations and discussion on these same matters recently. And she feels very strongly that Mr. Skeete understands the expectation Council has and he is the right man at the right time.

It was moved by Clark, and seconded by Lieberman, to appoint Horatio Skeete as acting city manager. The motion carried unanimously.

Mayor Scruggs called for a short break until 10:45pm.

The meeting was called back to order.

PUBLIC HEARING

19. FISCAL YEAR 2012-13 PROPERTY TAX LEVY (PUBLIC HEARING REQUIRED)

Sherry M. Schurhammer, Executive Director, Financial Services, presented this item.

This is a request for City Council to conduct a public hearing on the proposed Fiscal Year (FY) 2012-13 property tax levy. The primary property tax rate will remain unchanged at \$0.2252 per \$100 of assessed valuation for FY 2012-13. The secondary property tax rate will increase from \$1.3699 per \$100 of assessed valuation to \$1.6753 for FY 2012-13. The total property tax rate will increase to \$1.9005.

Arizona state law requires Council to set the property tax levy by the third Monday in August.

reminded everyone to watch children around water. He commented on the many senseless drownings that have recently occurred.

Councilmember Martinez thanked everyone for being there tonight and for their comments. He said that for the last few weeks, he had been thinking about this vote and the road they would be taking. Therefore, in his heart of hearts he believes they were doing what needs to be done. He commented on the combination of things that have ultimately caused problems for the city. Although, many still remained focus on the arena as the only problem the city has. He congratulated Mr. Skeete on his new appointment tonight and believes things will be changing for the better and remains optimistic. He agreed with Vice Mayor Frate on the importance of watching children around water.

Councilmember Knaack said this has been a very difficult time for everyone involved, however, she was looking forward with a very positive attitude and hopes everyone decides to do the same. This is a fresh start for a new fiscal year and has a lot of faith in city staff to get this turn around for the better. She was aware it might take a few years but believes strongly that it will happen and hopes everyone keeps supporting Glendale.

Mayor Scruggs thanked everyone for attending. She commented that she wanted to address the appointment of Mr. Skeete who is the acting city manager. She thanked him for his years of quiet service, many years of quiet service in various positions in the city and his knowledge of the functions and the disciplines within the city. She continued that she has a lot of faith that he will bring a bright light in a new day into the city in which we are all looking forward to. She continued that she wanted to make some comments and had been told by Mr. Tindall that it would be okay to talk about it. She believes there are a lot of people that are wondering what the process is going to be to hire a permanent city manager. And she believes it's something that we should get out there. The Council has decided among themselves, the seven of them, that the selection of the new city manager should be undertaken by those who will be serving after the second Tuesday in January in 2013. So anyway, once the canvas of votes is completed in November and it is known for sure who the seven members of the Council will be starting in January 2013. Those seven members will get together and there will be a committee of some sort or another formed. And they will get together and they will begin to decide how they want to go about a search. Do they want to search the globe, search just North America, search just Arizona or just invite people to apply? There are a number of ways that can happen. And that is the first thing they need to decide and then they need to talk among themselves to find out what are the characteristics of the perfect city manager that they want. So those seven people will undertake this with some sort of consultant or staffs help – she didn't know – she didn't care – she doesn't have to worry about it. And she believes there is probably going to be a lot of speculation of what happens next. And so that's what happens next. She addressed those in the audience that are running for office, commenting that they might be the ones that are going to do that and she believes it's exciting and she thinks it's the right way to do it and she is happy about how that's going to happen. So anyway, again thank you all for being here tonight. The meeting is adjourned.



CITY COUNCIL REPORT

Meeting Date: **11/20/2012**
Meeting Type: **Workshop**
Title: **FOLLOW YOUR MONEY ENHANCEMENTS AND MY GLENDALE SERVICES**
Staff Contact: **Diana Bundschuh, Deputy Chief Information Technology Officer**
Diane Goke, Chief Financial Officer
Christian Polintan, Sr. Systems Analyst
Devlin Fung, Sr. GIS Analyst

Purpose and Policy Guidance

This is a request to provide an update to the City Council on Follow Your Money, the city's transparency application, as well as to present a new tool called My Glendale Services. This is for Council information and discussion.

Background Summary

In July 2012, the City launched its transparency website called Follow Your Money. To further increase transparency and to provide financial information to the public, budget versus actual data will be added to the tool. In addition, Technology and Innovation will be launching My Glendale Services, which is a map based tool that allows citizens to find information about available community services in their local area.

Previous Related Council Action

The first phase of Follow Your Money was presented to Council on May 15, 2012.

Community Benefit/Public Involvement

Online tools provide 24/7 information to the public and allows access to information at a time that is convenient for them. In addition to convenience, Follow Your Money promotes financial transparency since it facilitates citizen's access to current financial information through the use of a user-friendly reporting tool. My Glendale Services provides consolidated access to community services information in a one stop shop scenario combining information from government and private sector service providers.

Attachments

Staff Report



STAFF REPORT

To: **Horatio Skeete, Acting City Manager**
From: **Chuck Murphy, Executive Director, Technology and Innovation**
Item Title: **FOLLOW YOUR MONEY ENHANCEMENTS AND MY GLENDALE SERVICES**
Requested Council Meeting Date: **11/20/2012**
Meeting Type: **Workshop**

PURPOSE

This is a request to the City Manager to provide an update to City Council on the enhancements to the city's Follow Your Money transparency application as well as new tool called "My Glendale Services."

BACKGROUND

In 2010, the Arizona State Legislature passed Arizona Revised Statute (A.R.S.) §41-725, which establishes online comprehensive financial reporting requirements for Arizona and its local municipalities. Although the City of Glendale was in compliance with the statute as a result of publishing its Comprehensive Annual Financial Report on the city website, an online reporting tool called Follow Your Money was created to further promote transparency. The user-friendly tool was released to the public in July 2012 facilitating the ability to easily access the city's financial expenditure and revenue data. In addition, it enhances the experience by allowing the user to easily search and download financial expenditure data.

Follow Your Money was presented to Council on May 15, 2012. During that presentation, council members requested the application be able to demonstrate how city departments are performing against their budgets. Over the past few months, Technology and Innovation in conjunction with Financial Services staff developed a second phase of the Follow Your Money to accomplish this request. This new phase provides quarterly financial performance data for the selected fiscal year and previous three fiscal years in a graphical format that shows quarterly actuals versus budget data for expenditures and revenues. Four fiscal years of data including the current fiscal year will be available and can be viewed by fund, department, and citywide. As with phase one, this information can be downloaded. The updated application is expected to be released to the public in December 2012.

While phase one focused on detailed information, phase two provides the amended budget, actuals, percentage of total budget, and a three year actual average for each quarter. In addition, users are presented with a bar chart to easily compare quarters, fiscal years, and to see how the selected fiscal year's quarterly actuals trend against budget amounts for each quarter.



STAFF REPORT

Historically, budgets were evenly distributed among each quarter. Follow Your Money takes a different approach and distributes the budget across quarters by using averages of the previous three years of actual expenditures or revenues. Also, the tool gives the user a budget variance for completed quarters. For example, until the second quarter is completed, the variance is based on the first quarter's amended budget and actual expenditures or revenues. On the first day of the third quarter, the variance will include the data for the first and second quarters. Using this variance, graphics are displayed indicating if the city, department, or fund is on budget by displaying the following: on target, caution, or watch.

In addition, Technology and Innovation will be launching My Glendale Services; a map based tool that allows the public to easily find information about the services in their area. Using an address, users can obtain information such as trash/recycling pick-up day and locations of fire and police stations, libraries, post offices, and hospitals. Additional services and information can be added to the tool in the future. This tool is expected to be released to the public by the end of 2012.

FISCAL IMPACTS

Other than staff time, there are no initial or ongoing costs for Follow Your Money since it was created using existing Technology and Innovation tools. My Glendale Services does not have initial costs and is included in the annual Geographic Information System software maintenance.



CITY COUNCIL REPORT

Meeting Date: **11/20/2012**
Meeting Type: **Workshop**
Title: **PUBLIC SAFETY MEMORIAL**
Staff Contact: **Debora Black, Interim Police Chief**

Purpose and Policy Guidance

Staff is seeking guidance from Council to proceed with the repositioning of the Public Safety Memorial.

Background Summary

The Glendale Public Safety Memorial was dedicated on January 4, 2011; it is located in the Glendale Civic Center Plaza at 5750 West Glenn Drive. Shortly after the dedication, concerns were raised that the two police officers portrayed on the memorial were not as visually prominent as the two firefighters. Employees from both the Fire Department and the Police Department agree that the memorial should be repositioned so that there is equal representation of Fire and Police from the front of the memorial.

Previous Related Council Action

On August 11, 2009, Council authorized the entering into of a contract with the artist for construction of a Public Safety Memorial.

At the June 2, 2009 Workshop, City Council gave direction to move forward with the creation of a Public Safety Memorial.

Budget and Financial Impacts

Three bids were secured for the cost of repositioning the Memorial. It is recommended the original installers of the project, Excel Construction, be awarded the contract to reposition the Memorial in the amount of \$23,462.87. Excel Construction originally installed the memorial and is the most qualified vendor to perform the repositioning. Funding for this project is available in the Municipal Arts Fund.

Cost	Fund-Department-Account
\$23,462.87	1220-1531-552000

Capital Expense? Yes No



CITY COUNCIL REPORT

Budgeted? Yes No

Requesting Budget or Appropriation Transfer? Yes No

If yes, where will the transfer be taken from?

Attachments

Staff Report



STAFF REPORT

To: **Horatio Skeete, Acting City Manager**
From: **Debora Black, Interim Police Chief**
Item Title: **PUBLIC SAFETY MEMORIAL**
Requested Council Meeting Date: **11/20/2012**
Meeting Type: **Workshop**

PURPOSE

This report contains information on the repositioning of the Public Safety Memorial. The purpose of this report is to request the City Manager forward this item to the City Council for their consideration and approval.

BACKGROUND

In 2010, the City of Glendale organized a committee to create a Public Safety Memorial. The committee included members of the City's Arts Commission, the Glendale Fire Department, the Glendale Police Department, and family members of Public Safety employees killed in the line of duty. As a result, the committee presented to Council a proposal for a memorial statue and its placement near the Glendale Civic Center. This proposal was approved by Council.

The Glendale Public Safety Memorial was dedicated on January 4, 2011; it is located in the Glendale Civic Center Plaza at 5750 West Glenn Drive. Shortly after the dedication, concerns were raised that the two police officers portrayed - on the memorial were not as visually prominent as the two firefighters. Employees from both the Fire Department and the Police Department agree that the memorial should be repositioned so that there is equal representation of Fire and Police from the front of the memorial.

ANALYSIS

The Public Safety Memorial was initially designed to be viewed from a 360 degree perspective. However, once constructed, it became apparent that the environment surrounding the memorial did not support the intended design. When positioned in the plaza area looking north to the memorial, there is sufficient space to reflect on its intended significance. However, there is limited space to accomplish the same task when looking south to the memorial (from "behind it"). The space is constraining and limits the ability of the visitor to appreciate the 360 degree perspective. Two options have been considered for correcting this issue: changing the surrounding environment or re-positioning the memorial.

The first option is not recommended, as it would require moving electrical and water lines, redesigning the Civic Center courtyard, and relocating the memorial wall. There are currently no funds available for this type of work and it would be disruptive to the Civic Center area.



STAFF REPORT

A second, more cost effective option is the recommended course of action. The memorial would be turned counter-clockwise so that a uniformed firefighter and a uniformed police officer would be visible and equally represented from the front of the memorial. This option would be the least expensive, would minimize disruption of other City functions, and would satisfy those who have expressed concern about the memorial.

FISCAL IMPACTS

Three bids were secured for the cost of repositioning the Memorial. It is recommended the original installers of the project, Excel Construction, be awarded the contract to reposition the Memorial in the amount of \$23,462.87. Excel Construction originally installed the memorial and is the most qualified vendor to perform the repositioning. Funding for this project is available in the Municipal Arts Fund.

Update on Public Safety Memorial

November 20, 2012

Council Workshop

Public Safety Memorial Background

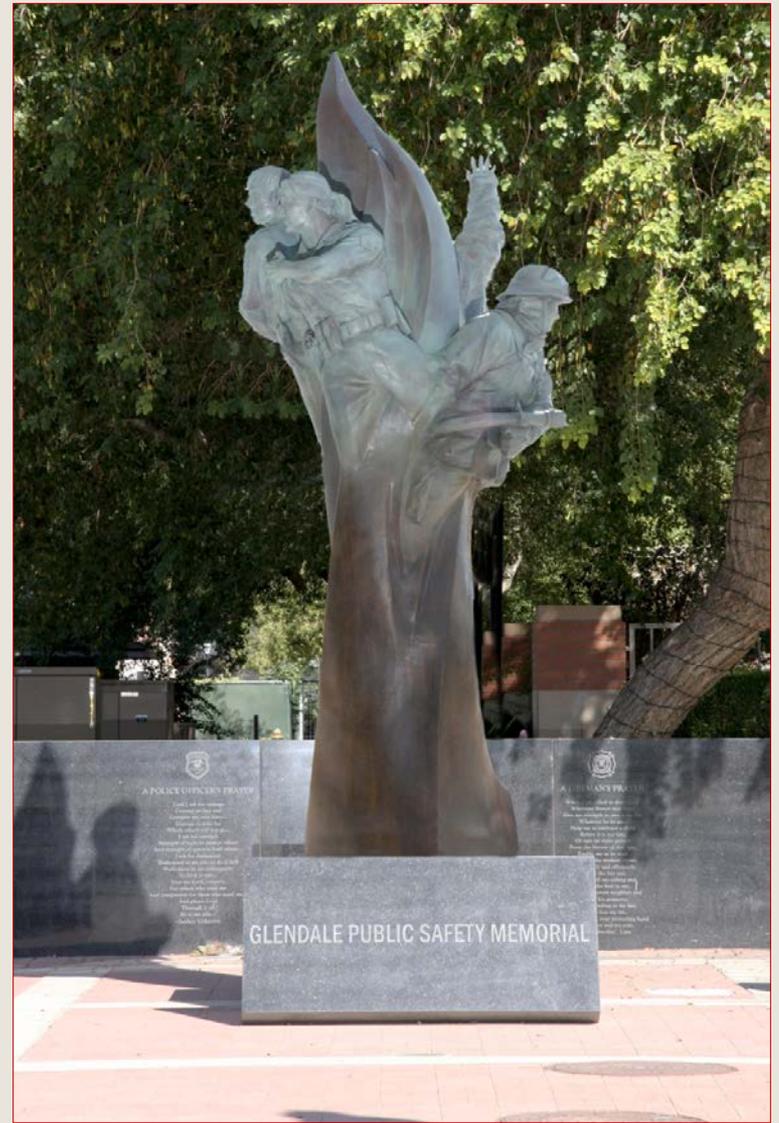
- 2010: Committee created for Public Safety Memorial
- Proposal for memorial statue presented to Council and direction received to move forward
- Public Safety Memorial dedicated January 4, 2011
 - Located in the Glendale Civic Center Plaza

Public Safety Memorial

- Concerns were raised that the depiction of police and fire were not equally balanced.
- Two options will be discussed today:
 - Reconstruction
 - Reorientation



Current Position



Proposed Position

Summary

- Cost to reposition: \$23,462.87
- Funding available in the Municipal Arts Fund
- Arts Commission updated
- Family members contacted and had no concerns

Questions?



CITY COUNCIL REPORT

Meeting Date: **11/20/2012**
Meeting Type: **Workshop**
Title: **CITY MANAGER UPDATE ON ANNEXATION INQUIRIES AND SALES TAX REVENUE**
Staff Contact: **Horatio Skeete, Acting City Manager**

Purpose and Policy Guidance

This is an opportunity for the Acting City Manager to provide an update regarding recent annexation inquiries located within the Municipal Planning Area (MPA) and provide an update on year-to-date sales tax revenue.

This is for Council information only. The Acting City Manager and staff are available to answer any questions regarding the information provided.

Background Summary

Annexation Inquiries – On October 23, 2012, Council approved the Pre-Annexation Development Agreement (PADA) between the property owners and the City of Glendale. This would allow for future annexation of approximately 3,000 acres of land located on both sides of the Loop 303 in the Glendale MPA.

Since that time, several other property owners and developers not included in the PADA have expressed interest in exploring potential annexation and identifying water and sewer service options, as well as police, fire, sanitation and recycling services. These properties are located in the Loop 303 Corridor and the geographic area between 115th Avenue and Litchfield Road. As Council is aware, the city does not provide water and sewer services west of 115th Avenue. Water and sewer services west of 115th Avenue are typically provided by viable private utility companies per the adopted Annexation Policy.

Sales Tax Revenue – Through September 2012, city sales tax collections totaled approximately \$28.9 million dollars, which is an increase of about 19% as compared to the first quarter of last year; however, it is 4% under budget projections. The General Fund's portion of that \$28.9 million is approximately \$16.2 million dollars, a 30% increase for the General Fund over last year. This collection reporting period included one month of sales taxes at the higher 2.9% level. A quick comparison of sample businesses indicates that the increased rate had no effect on the level of business activities among those used in the sample set.

Attachments

Department Memorandum



Planning Memorandum

DATE: October 24, 2012
TO: Brian Friedman, Executive Director
THROUGH: Jon M. Froke, AICP, Planning Director
FROM: Thomas Ritz, AICP, Senior Planner
SUBJECT: New Development Inquiries | Loop 303 Corridor

Brian

As requested below is a list of recent new development inquiries fielded by Planning in and around the Loop 303 Corridor:

Northwest Corner of Bethany Home Road and Citrus Road: Single Family Medium Density Residential, 80 acres. Initial inquiry by a prospective property owner. Advised the applicant to observe the October 23rd City Council action on the two agreements.

Northwest Corner of Northern Avenue and Cotton Lane: Single Family Medium Density Residential with Elliott Homes as the home builder, with a possible commercial corner at the southeast corner along Northern Avenue, 437 acres. Site is located west of the railroad right-of-way along Cotton Lane. Conducted initial meeting and advised the applicant that Glendale is not interested in annexation at this time. They plan to revise their plans and demonstrate how attractive this site is for Glendale to annex. Applicant has retained Elliott Pollack & Associates to conduct an economic impact study. Applicant advises that the railroad has indicated that they are interested in selling their land to Elliott Homes.

Northwest and Southwest Corners of Litchfield Road and Bethany Home Road: Industrial – Warehouse, 167 acres. Conducted pre-application meeting. Property owner wants to develop site under City, not County, jurisdiction. Luke Air Force Base has expressed support. Police and Fire Department have conducted an initial review and can provide services. Private water and sewer company will provide utilities to the site.

Southeast Corner of Peoria Avenue and Sarival Avenue: Commercial, 10 acres, applicant withdrew interest in property prior to initial meeting.

Dysart Road and Glendale Avenue: Commercial and Single Family Residential, 25 acres. Met with Sunbelt Holdings in a preliminary meeting. Discussed conceptual site plan and potential annexation. Property owner is evaluating development under City or County jurisdiction. Luke Air Force Base has expressed support.

Olive Avenue between Cotton Lane and El Mirage Road: Proposed by Maricopa County as a Road of Regional Significance, widened to 4 lanes between Cotton Lane and El Mirage Road. Initial meeting

held with County staff, Engineering, Transportation and Planning on August 29, 2012. Engineering consultant on board and preparing Design Concept Report for Maricopa County.

cc: Tabitha Perry, Assistant Planning Director



CITY COUNCIL REPORT

Meeting Date: **11/20/2012**
Meeting Type: **Workshop**
Title: **CITY CODE CHAPTER XIII ORDINANCE AMENDMENTS**
Staff Contact: **Elizabeth Finn, Presiding City Judge**

Purpose and Policy Guidance

Staff is seeking guidance from Council on revising certain provisions of the Glendale City Code contained in Chapter XIII concerning compensation of Glendale City Court judicial officers.

The existing ordinance was adopted in 2002. The proposed amendment is intended to address current circumstances and future changes in court operations and administration.

Background Summary

All background summary information on this request is contained in the attached proposed ordinance revision.

Previous Related Council Action

On July 26, 2005, Council revised the ordinance regarding the presiding city court judge's term from four years to two years. At that time, the Council expressed concern that the next term for the presiding city court judge would be for four years. That would have meant the salary for the presiding city judge and therefore, all city court judges and court hearing officers, would have to be set by the Council for a four year period. However, the Council has previously indicated they did not want to set salaries for these judicial officers for four years.

Glendale City Court requests the City Manager forward this item to the City Council for their consideration. The Court recommends the City Council give direction concerning the proposed revised ordinances amending Chapter XIII, Section 13-6(b) and (c) of the Glendale City Code.

Budget and Financial Impacts

There are no fiscal impacts associated with this recommended action. All staffing positions included with this request are currently budgeted.



CITY COUNCIL REPORT

Capital Expense? Yes No

Budgeted? Yes No

Requesting Budget or Appropriation Transfer? Yes No

Attachments

Staff Report

Ordinance



STAFF REPORT

To: **Horatio Skeete, Acting City Manager**
From: **Elizabeth Finn, Presiding Judge**
Item Title: **CITY CODE CHAPTER XIII ORDINANCE AMENDMENTS**
Requested Council Meeting Date: **11/20/2012**
Meeting Type: **Workshop**

PURPOSE

Glendale City Court is requesting the City Council consider revising certain provisions of the Glendale City Code contained in Chapter XIII concerning compensation of judicial officers.

The existing ordinance was adopted in 2002. The proposed amendment is intended to address current circumstances and future changes in court operations and administration.

BACKGROUND

See the attached proposed ordinance.

ANALYSIS

Existing ordinances were enacted to limit the occasions required by the Council to address increasing the salaries of city court judges and court hearing officers. If the Council increases the salary of the presiding city court judge, the current ordinances automatically increase the salaries of city court judges and court hearing officers, based on the existing percentage in the ordinance. However, the current ordinances do not adequately address what may occur in the event a new presiding judge is appointed. In that event, the proposed revisions would prevent the salaries of city court judges and court hearing officers from being inequitably affected.

The proposed revisions would retain the salaries of city court judges and court hearing officers if the presiding city court judge is appointed at a salary that would result in a decrease in judicial salaries. Moreover, judicial salaries would increase only when the existing percentage in the City ordinance is obtained.

Other options evaluated would require the Council to set salaries for city court judges and court hearing officers for a four year period. However, the Council has previously indicated they did not want to set salaries for these judicial officers for four years. In 2005, the Council expressed concern that the next term for the presiding city court judge would be for four years. That would have meant the salary for the presiding city judge and therefore, all city court judges and court



STAFF REPORT

hearing officers, would have to be set by the Council for a four year period. On July 26, 2005, Council revised the ordinance regarding the presiding city court judge's term from four years to two years.

Glendale City Court requests the City Manager forward this item to the City Council for their consideration. The Court recommends the City Council give direction concerning the proposed revised ordinances amending Chapter XIII, Section 13-6(b) and (c) of the Glendale City Code.

FISCAL IMPACTS

There are no fiscal impacts associated with this recommended action. All staffing positions associated with this request are currently budgeted. The Account Name, Fund, and Line Item Number are "City Court, Fund 1000, Department 10410, Authorized Salaries."

ORDINANCE NO. _____ NEW SERIES

AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AMENDING GLENDALE CITY CODE, CHAPTER 13, SEC. 13-6(b) and 13-6(c) RELATING TO COMPENSATION OF JUDICIAL OFFICERS; AND SETTING FORTH AN EFFECTIVE DATE.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF GLENDALE as follows:

SECTION 1. That Glendale City Code Chapter 13, Sec. 13-6(b) is hereby amended to read as follows:

Sec. 13-6(b).

(b) The salary of a city judge shall be set at eighty-five percent (85%) of the salary of the presiding city judge. The salary of a city judge shall not be adjusted during said judge's term of office except for adjustments which are applicable to all employees of the city without regard to performance, or adjustments required to establish the city judge's salary at eighty-five percent (85%) of the presiding city judge's salary. The salary of a city judge shall remain the same and not be reduced as the result of the appointment of a presiding judge until such time as the presiding city judge's salary is made greater than a city judge's salary divided by eighty-five percent (85%).

SECTION 2. That Glendale City Code Chapter 13, Sec. 13-6(c) is hereby amended to read as follows:

Sec. 13-6(c).

(c) The salary of a court hearing officer shall be set at sixty percent (60%) of the salary of the presiding city judge. The salary of a court hearing officer shall not be adjusted during said judge's term of office except for adjustments which are applicable to all employees of the city without regard to performance, or adjustments required to establish the court hearing officer's salary at sixty percent (60%) of the presiding city judge's salary. The salary of a court hearing officer shall remain the same and not be reduced as the result of the appointment of a presiding judge until such time as the presiding city judge's salary is made greater than a court hearing officer's salary divided by sixty percent (60%).

SECTION 3. That the provisions of this ordinance shall become effective thirty (30) days after passage of this ordinance by the Glendale City Council.

PASSED, ADOPTED AND APPROVED by the Mayor and Council of the City of Glendale, Maricopa County, Arizona, this _____ day of _____, 2012.

MAYOR

ATTEST:

City Clerk (SEAL)

APPROVED AS TO FORM:

City Attorney

REVIEWED BY:

City Manager

Additions are indicated by underline.



CITY COUNCIL REPORT

Meeting Date: **11/20/2012**
Meeting Type: **Workshop**
Title: **ARENA MANAGEMENT AGREEMENTS UPDATE**
Staff Contact: **Horatio Skeete, Acting City Manager**

Purpose and Policy Guidance

The Acting City Manager will present a comprehensive review of the finalized Arena Lease and Management Agreement and Noncompetition and Non-Relocation Agreement with Arizona Hockey Arena Partners, LLC, and Arizona Hockey Partners, LLC, for the use of the city-owned Jobing.com Arena by the Phoenix Coyotes.

Background Summary

In 2001, the City of Glendale entered into an Arena Development Agreement, an Arena Management and Use Agreement (AMULA), and a Mixed-Use Development Agreement (MUDA) with Arena Management Group, LLC, Coyotes Hockey, LLC, Glendale 101 Development, LLC, and Coyote Center Development, LLC. The purpose of these actions was to create a high-quality major economic center in Glendale, consisting of offices, hotels, entertainment, retail and restaurants.

For the past three years, under the direction of Council, the city has been actively working with the NHL and potential buyers of the Coyotes to structure a deal that would keep the team in Glendale.

Council established criteria for negotiations with potential buyers of the Phoenix Coyotes including:

- Keep team in Glendale for the full length of lease
- Keep current arena revenues in tact
- Provide opportunity to share in revenue streams, when feasible

The NHL has established the value at \$170 million. The current selling price of the team is a result of existing issues beyond the city's control.

According to a study conducted by ESI Corporation in 2008, the annual regional economic impact of the Coyotes and Jobing.com Arena is substantial:

- 750 jobs in Maricopa County and \$20 million in wages
- \$4.5 million generated in indirect business taxes for Glendale, Maricopa County and the state



CITY COUNCIL REPORT

The loss of the team as an anchor tenant would result in a loss of at least 43 major events per year at the arena. In addition, it is highly unlikely that the arena would be able to generate the same number and quality of replacement events. Analysis conducted by independent outside experts concludes that the financial position of the city with the team will be better than managing the arena without the team.

Analysis

A summary of the revised proposal is as follows:

1. The NHL team stays in Glendale for 20 years, the same amount of time remaining on the original bonds for the arena.
2. The city receives 15% of the naming rights revenue of the arena and 15% from advertising revenue for city-owned parking spaces
3. The city pays an average arena management fee of \$15 million per year which was net present valued at \$188.3 million using a 6.5% discount rate.
4. The total payment for the first five years is \$71 million compared to \$95 million in previous agreement.
5. Performance standard specifies a minimum of 40 hockey games and 30 non-hockey events each fiscal year with an average attendance of not less than 7,000 patrons to the non-hockey events.
6. Penalty - In the event that the Arena Manager does not through its efforts cause 30 Arena Manager Events to occur at the Arena, the Management Fee next due from the city to Arena Manager will be reduced by an amount equal to \$25,000 multiplied by the difference between the actual and the minimum standard.
7. The Arena Manager will pay the city \$60,000 for every game not played during the season caused by a lock out or player's strike.
8. If the Arena Manager produces an additional 20 events above the 30 events outlined in the performance standards, the Arena Manager will be paid an additional \$500,000.

Previous Related Council Action

On October 2, 2012, staff sought guidance from City Council on proposed modifications to the Arena Lease and Management Agreement with Arizona Hockey Arena Partners LLC and Arizona Hockey Partners for the use of the city-owned Jobing.com Arena by the Phoenix Coyotes. Council provided direction to proceed with negotiations with Arizona Hockey Arena Partners and Arizona Hockey Partners.



CITY COUNCIL REPORT

In August 2012, Council directed the Acting City Manager to renegotiate the payment terms of the approved agreement with a stated objective of reducing the payments made in the early years of the agreement to better meet the city's cash flow needs.

On June 8, 2012, Council adopted a resolution authorizing the entering into of the following agreements with Arizona Hockey Arena Partners, LLC and Arizona Hockey Partners, LLC for the use of the city-owned Jobing.com Arena by the Phoenix Coyotes: (1) Arena Lease and Management Agreement and (2) Noncompetition and Non-Relocation Agreement.

Attachments

Agreement

Agreement

ARENA LEASE AND MANAGEMENT AGREEMENT

by and among

CITY OF GLENDALE,

an Arizona municipal corporation (the “City”)

and

ARIZONA HOCKEY ARENA PARTNERS, LLC,

a Delaware limited liability company (the “Arena Manager”)

and

ARIZONA HOCKEY PARTNERS, LLC,

a Delaware limited liability company (the “Team Owner”)

Dated as of _____, 2012

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ARENA LEASE AND MANAGEMENT AGREEMENT

THIS ARENA LEASE AND MANAGEMENT AGREEMENT (this “**Agreement**”) is dated as of _____, 2012 (the “**Effective Date**”), and is entered into by and among the City of Glendale, an Arizona municipal corporation (the “**City**”); Arizona Hockey Arena Partners LLC, a Delaware limited liability company (the “**Arena Manager**”), and Arizona Hockey Partners LLC, a Delaware limited liability company (the “**Team Owner**”).

RECITALS

A. On May 5, 2009, Coyotes Hockey, LLC, the owner for a time of the NHL team currently bearing the designation “Phoenix Coyotes” (the “**Team**”), and its affiliated entity, Arena Management Group, LLC, under a new owner of both entities, Dewey Ranch, LLC (collectively, “**Debtors**”), filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code. Coyotes Hockey, LLC and Dewey Ranch, LLC are referred to herein collectively as the “**Former Coyotes Owner.**”

B. During the above described Bankruptcy Case, two NHL-owned entities, Coyotes Newco, LLC and Arena Newco, LLC, purchased certain of the assets and assumed certain of the rights and obligations of the Dewey Ranch entity.

C. The NHL-owned entities did not, however, assume the Amended and Restated Arena Management, Use and Lease Agreement dated November 29, 2001, filed with the Glendale City Clerk as Document No. C-4416 (the “**Former AMULA**”).

D. While supporting the NHL-owned entities in the acquisition of the Coyotes franchise and the assumption of the arena management responsibilities, the City, did not waive any of its rights against the bankruptcy debtors with respect to the Former AMULA, including the Former Coyotes Owner’s covenant to cause the Team to play all of the Team’s home games at the facility in the City currently known as Jobing.com Arena (the “**Arena**”) in accordance with Section 9.5 of the Former AMULA.

E. The City has found and determined that the entering into of this Agreement by the City is part of the City’s endeavor to mitigate the more than \$500 million in future damages to the City caused by the termination of the Former AMULA by the Debtors.

F. Upon the closing of a purchase by the Team Owner from Coyotes Newco, LLC of the player contracts, the NHL franchise for the operation of the Team (the “**Franchise**”), and other assets relating to the Team pursuant to a purchase agreement to be negotiated between the Team Owner, the NHL and Coyotes Newco, LLC (the “**NHL Purchase Agreement**”) the Team Owner will be a member of the NHL and will hold the franchise for the operation of the Team as an NHL hockey team bearing the designation “Phoenix Coyotes”. Subject to the closing of the NHL Purchase Agreement, the City and the Team Owner desire that the Team will play all of its home games, commencing on the Closing Date and continuing for the term specified in this Agreement (together with any additional complete NHL hockey seasons as may occur during any extension of the Term pursuant to this Agreement), at the Arena Facility subject to the terms and conditions set forth in this Agreement and the terms of the Noncompetition/Non-Relocation Agreement, executed contemporaneously with this Agreement.

G. The City has determined that it is in the best interest of the City and its residents to provide for the lease, management, and use of the Arena Facility in the manner described in this

Agreement. Such acquisition, management and use will benefit the City and its residents by providing a substantial, regular, and continuing utilization of the Arena Facility by the Team Owner, providing additional employment opportunities within the City, increasing the City's tax base, and stimulating additional development on properties in the vicinity of the Arena Facility.

H. The respective obligations of each of the Arena Manager and the Team Owner under this Agreement and the Related Agreements, including the Team Owner's obligation to play all of the Team's home games at the Arena Facility, are unique and are integral to the use and operation of properties in the vicinity of the Arena Facility and to the well being of the City and its residents generally, and, with respect to the Team Owner, are personal to the Team Owner and may be discharged only by the Team Owner.

I. In reliance upon and in consideration of the City's obligations under this Agreement and the Related Agreements, subject to the closing of the NHL Purchase Agreement, (i) the Arena Manager will require the Team Owner to agree, pursuant to the Noncompetition/Non-Relocation Agreement, to play all of its home games at the Arena Facility, and (ii) the Arena Manager and the Team Owner have undertaken their respective obligations under this Agreement and the Related Agreements.

AGREEMENT

NOW THEREFORE, in consideration of the premises, covenants, agreements and obligations contained herein, the parties enter into this Agreement and agree as follows:

1. DEFINITIONS: INTERPRETATION.

1.1 Definitions. As used in this Agreement, the following terms shall have the meanings indicated unless a different meaning is specifically provided or unless the context otherwise requires:

"Account Records" means accurate records relating to the management and operation of the Arena Facility, including records establishing all amounts received by the Arena Manager (whether as Operating Revenues or otherwise) and all amounts paid by the Arena Manager (whether as Operating Expenses or otherwise) and records relating to the Arena Accounts, including any records maintained by any Arena Sub-Manager.

"Additional Arena Manager Event Block" means 20 Events, which are not Hockey Events or City Sponsored Events, the Arena Manager causes to occur in a given Fiscal Year and for which the average attendance is not less than 7,000 patrons.

"Advertising" means all permanent and temporary announcements, acknowledgments, banners, liquid electronic displays, monument and other signs, show bills and other audio or visual commercial messages of any nature displayed, announced or otherwise presented at, in or on the Arena Facility or any portion thereof, provided that Advertising shall not include (a) any Advertising contained in the broadcasts, reproductions or transmittals of Team games in any medium or any Advertising of the broadcasts, reproductions or transmittals of Team games in any medium, (b) the Naming Rights, (c) Arena announcements, or (d) the City's program advertisements. For clarity, (i) under this Agreement Advertising does not include any advertising relating to the Team or the events occurring in the Arena Facility which are published, displayed, announced or transmitted in any medium other than by display, announcement or presentation at, in or on the Arena Facility or any portion thereof and (ii) any Advertising content transmitted on computers or other electronic communication devices owned by the

Team Owner or Arena Manager shall not, by virtue of the fact that such computers or devices are Personal Property, be deemed to Advertising “displayed, announced or otherwise presented at, in or on the Arena Facility or any portion thereof” for purposes of this definition.

“**Advertising Agreement**” means any contract or agreement entered into by or on behalf of the Arena Manager for Advertising.

“**Affiliate**” of a specified Person means a Person who (a) controls, is directly or indirectly controlled by, or is under common control with, the specified Person; (b) owns, directly or indirectly, 10% or more of the equity interests of the specified Person; (c) is a general partner (if the specified Person is a partnership), managing member or manager (if the specified Person is a limited liability company), officer, director, non-financial institution trustee or fiduciary of the specified Person or of any Person described in clause (a) or (b) above; or (d) is a member of the Immediate Family (e.g., any spouse, son, daughter or parent of any individual (by blood or by marriage), or any trust, estate, partnership, joint venture, limited liability company, corporation, or any other legal entity directly or indirectly controlled by such spouse, son, daughter or parent) of the specified Person or the Person described in clauses (a) through (c) above. A Person shall be deemed to control another Person for the purposes of this definition if the first Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of the second Person, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise.

“**Annual Budget**” means an annual budget (prepared by the Arena Manager in the form provided in Exhibit G and submitted to the City and the Team Owner for their reasonable approval as stated herein) for a given Fiscal Year or partial Fiscal Year, as applicable, projecting in reasonable detail for such Fiscal Year (i) the Operating Revenues and Operating Expenses estimated in good faith by the Arena Manager; (ii) expenditures for Capital Improvements estimated in good faith by the Arena Manager; (iii) cash flows and timing of cash flows estimated in good faith by the Arena Manager; and (iv) such other amounts or information as may from time to time be reasonably required by the City within reasonable time limits while any Management Fee is payable hereunder.

“**Applicable Law**” means any law, statute, ordinance, rule, regulation, order or determination of any Governmental Authority, or any recorded restrictive covenant or deed restriction, affecting the Arena Facility, including those applicable to environmental, zoning, building code, health and safety and other similar matters.

“**Arbitration**” means the process by which an Arbitration Dispute is resolved under this Agreement, as provided in Section 21 hereof.

“**Arbitration Dispute**” means any dispute among the parties to this Agreement (or between any two of them) and arising out of or related to this Agreement.

“**Arbitrator**” means the individual selected by the parties in accordance with the Arbitration procedures established herein to decide an Arbitration Dispute.

“**Arena**” means, collectively, the Arena Facility and the Personal Property.

“**Arena Account**” means any one or more of the accounts described in Section 8.10.

“Arena Facility” shall mean the building in the City currently known as “Jobing.com Arena” and all foundations, structural elements, interior areas, all improvements, furnishings, fixtures and equipment (excluding furnishings and equipment owned by suite holders and temporary furnishings owned by Persons staging Events at the Arena) of whatever nature located therein or thereon and all exterior area, including the plaza and other exterior area adjacent to, located on Lot 9 of Westgate, and exclusively serving patrons attending Events at the Arena Facility, all as shown on Exhibit “A” and Exhibit “B” hereto. The cooling plant serving the Arena is specifically included as part of the Arena Facility.

“Arena Maintenance Standard” means a standard of maintenance that, as of the time of application, meets or exceeds the quality of the maintenance of (i) the multi-purpose facility currently known as “US Airways Arena” in Phoenix, Arizona (to the extent that records are available to the parties for the purpose of determining the quality of maintenance; to the extent not available, any other comparable multi-purpose arena for which such records are available); or (ii) such other multi-purpose arena to which the parties may from time to time, in their respective sole discretion, agree in writing. In the event of a conflict between Exhibit C and any Arena Maintenance Standard, Exhibit C shall control.

“Arena Management Fee” means the amount paid by the City to the Arena Manager for the management of the Arena in accordance with Section 10 and the terms and conditions set forth herein.

“Arena Manager Affiliate Contract” means any contract or agreement relating to the Arena Facility to which both the Arena Manager and an Affiliate of the Arena Manager or the Team Owner are parties, other than this Agreement, the Noncompetition/Non-Relocation Agreement and the Related Agreements. For clarity, agreements on the contributions of capital by owners, allocations of distributions among owners, the allocations of internal rights and control among the managers and owners with respect to the Arena Manager or the Team Owner shall not be Arena Manager Affiliate Contracts, and no payments by Arena Manager pursuant to such agreements or contracts shall be deemed Operating Expenses.

“Arena Manager Default” means the occurrence of any of the following events:

a. If the Arena Manager fails, within a reasonable time under the circumstances (including any time required for a reasonable investigation and subject to all appropriate employment procedures), after the Arena Manager receives notice or otherwise acquires knowledge that any employee, officer, director, independent contractor or agent of the Arena Manager has misappropriated monies or engaged in other fraudulent or illegal activity that is not de minimis in scope, to suspend or discharge such employee, officer, director, independent contractor or agent;

b. If the Arena Manager fails to make any payment or distribution to be made by the Arena Manager hereunder at the time and in the manner required by this Agreement, and such failure is not cured within 30 days after the Arena Manager’s receipt of notice of such failure from any other party hereto;

c. If any representation or warranty made by the Arena Manager in this Agreement at any time proves to have been incorrect in any material respect as of the time made, and if the Arena Manager fails to cause such representation or warranty to become correct within 30 days after the Arena Manager’s receipt of notice from any other party hereto that such representation or warranty was incorrect; provided, however, that if it is reasonably possible to cause such

representation or warranty to become correct but it is not reasonably possible to cause such representation or warranty to become correct within such thirty-day period, then such cure period shall be for an unlimited period of time so long as the Arena Manager (i) commences to cause such representation or warranty to become correct within 30 days after the Arena Manager's receipt of such notice, and (ii) thereafter diligently continues to cause such representation or warranty to become correct; or

d. If the Arena Manager materially breaches any covenant or provision of this Agreement, and such breach is not cured within 30 days after the Arena Manager's receipt from any other party hereto of notice of such breach; provided, however, that if it is reasonably possible to cure such breach but it is not reasonably possible to cure such breach within such thirty-day period, then such cure period shall be for an unlimited period of time so long as the Arena Manager (i) commences to cure such breach within 30 days after the Arena Manager's receipt of such notice, and (ii) thereafter diligently continues to cure such breach.

"Arena Manager Event" means an Event other than a Hockey Event or a City Sponsored Event that the Arena Manager secures for the Arena with Ticketed attendance of not less than 7,000 patrons.

"Arena Manager Withdrawal" means any of the following events

- a. The Arena Manager resigns;
- b. The Arena Manager is dissolved;
- c. An Arena Manager Default or Team Owner Default exists under this Agreement or a Team Default exists under the Noncompetition/Non-Relocation Agreement, and the City elects to secure a Replacement Arena Manager or the City elects to act as Replacement Arena Manager, subject to the Team Owner's first right to secure a Replacement Arena Manager as set forth under Section 19.3.3;
- d. The Arena Manager commences, or has commenced against it, any case, proceeding or other action under the United States Bankruptcy Code, or any other Applicable Law relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking (i) to have an order for relief entered with respect to the Arena Manager; (ii) to adjudicate the Arena Manager bankrupt or insolvent or seeking reorganization, winding up, liquidation, dissolution, discharge, composition, or other relief with respect to the Arena Manager or the debts of the Arena Manager; or (iii) the appointment of a receiver, trustee, custodian, or similar official for the Arena Manager; or
- e. The Arena Manager becomes insolvent or admits in writing its inability to pay its debts as they mature.

"Arena Parking Area" means the parking areas made available to Arena Facility for parking of the vehicles of Arena patrons, which parking areas shall provide 5,500 parking spaces for each Event during the Term; provided, however, that if the Arena Manager notifies the City no less than three days prior to an Event that fewer parking spaces are required, the City shall only be required to make available such lower number of parking spaces.

“Arena Parking Rights” means (i) the right to directly charge for parking in any space or area which is a part of the Arena Parking Area; (ii) the right to negotiate and enter into agreements for the sale or license of Parking Advertising on that portion of the Arena Parking Area owned by the City; and (iii) the right to negotiate and enter into agreements for the sale or license of naming rights in connection with all or part of that portion of the Parking Area owned by the City.

“Arena Revenue Bonds” means the 2003 Arena Revenue Bonds designated “Series 2003A” and “Series 2003B” and any other bonds issued to refinance these bonds to the extent the principal maturity date is not extended.

“Arena Sub-Manager” means a qualified arena manager acceptable to and approved by the City to whom the Arena Manager may, from time to time, delegate all or a portion of its duties and responsibilities under this Agreement.

“Business Day” means any day other than a Saturday, a Sunday or a public or bank holiday or the equivalent for banks generally under the laws of the State of Arizona. Use of the word “day”, as opposed to “Business Day”, means calendar day.

“Capital Improvements” means any or all installations, alterations or improvements of or to, and all purchases of additional or replacement furniture, fixtures, machinery or equipment for, the Arena Facility, the depreciable life of which, according to GAAP, is in excess of one (1) year.

“City Default” means the occurrence of any of the following events:

a. If the City fails to pay when due, for any reason, any amount payable by the City hereunder, including any portion of the Management Fee, and such failure is not cured within 30 days after the City’s receipt of notice of such failure from any other party hereto;

b. If any representation or warranty made by the City herein at any time proves to have been incorrect in any material respect as of the time made, and if the City fails to cause such representation or warranty to become correct within 30 days after the City’s receipt of notice from any other party hereto that such representation or warranty was incorrect; provided, however, that if it is reasonably possible to cause such representation or warranty to become correct but it is not reasonably possible to cause such representation or warranty to become correct within such thirty-day period, then such cure period shall be for an unlimited period of time so long as the City (i) commences to cause such representation or warranty to become correct within 30 days after the City’s receipt of such notice, and (ii) thereafter diligently continues to cause such representation or warranty to become correct;

c. If the City commences a proceeding under Chapter 9 of the United States Bankruptcy Code; or

e. If the City materially breaches any covenant or provision of this Agreement, and such breach is not cured within 30 days after the City’s receipt from any other party hereto of notice of such breach; provided, however, that if it is reasonably possible to cure such breach (excluding any failure to pay any portion of the Management Fees, which shall only be subject to subpart a. above) but it is not reasonably possible to cure such breach within such thirty-day period, then such cure period shall be for an unlimited period of time so long as the City (i)

commences to cure such breach within 30 days after the City's receipt of such notice, and (ii) thereafter diligently continues to cure such breach.

"City Revenue Event" shall have the meaning set forth in Section 7.6.

"City Sponsored Event" shall mean a City Revenue Event or a Community Event.

"City Surcharge" shall have the meaning set forth in Section 9.1.

"City Surcharge Account" means an account established and maintained for the benefit of the City as one or more trust accounts that require the signature of only the City for withdrawals at a federally-insured institution(s) having offices in the State of Arizona for the deposit and disbursement of City Surcharge.

"City's Knowledge" means the actual knowledge of the City Manager, the Acting City Manager (if applicable), or the Glendale City Council as a whole.

"Claim or Loss" means any claim, cost damage, demand, expense, loss, obligation or other liability (including reasonable attorneys' fees), including those relating to property, injury to or death of persons, loss of income and losses under workers' compensation laws and benefits.

"Closing" and "Closing Date" means the consummation of the transaction (and the date of consummation) contemplated by this Agreement upon the satisfaction or waiver of all conditions set forth in Section 17.2.

"Community Event" means an Event at the Arena Facility (i) which is sponsored or co-sponsored by the City; (ii) which is conducted or presented as a service to the City, its residents, or a non-profit organization; or (iii) which does not feature performers or performances normally booked in arenas comparable to the Arena Facility; or (iv) which the financial benefits (if any) of which are received or distributed to a non-profit, civic or other community organization; and (v) which in all cases are reasonably approved by the Arena Manager.

"Community Event Expenses" means those expenses that are directly attributable to the use of the Arena Facility for a Community Event, *i.e.*, those that would not have been incurred but for the Community Event, including the cost and expense of utilities, insurance, cleaning, repairs and personnel. For clarity, only payments or other considerations to be made or provided by the Arena Manager that (i) are calculated solely on the basis of sales made or transactions completed during a Community Event directly relating to such Community Event or (ii) are payable solely because a given Community Event is held shall be "directly attributable" to such Community Event.

"Concessions" means the sale, furnishing or renting of foods, beverages (including alcoholic beverages), apparel, souvenirs, programs (excluding program Advertising) or other goods or merchandise by a Person (other than the Team Owner at the Team Retail Stores) in, at, from or in connection with the operation of the Arena Facility, whether sold, furnished or rented from shops, kiosks or by individual vendors circulating in the Arena Facility, including any restaurant (whether open to the public or restricted to members thereof), club, membership dining room or other facility for the sale of food and beverages, and including sales to fill orders for any such items by any Person other than the Team Owner at the Arena Facility (whether received by mail, facsimile, telephone or other medium of communication).

“Concessions Agreement” means any agreement or contract for the right to engage in or conduct one or more Concessions.

“Emergency” means any condition or situation that presents an imminent and significant threat (or if not immediately acted upon will present an imminent and significant threat) to the health or safety of users of the Arena Facility or to the structural integrity of the Arena Facility.

“Event” means any revenue or non-revenue producing sports, entertainment, cultural or civic event or other activity (including related event set-up and take-down) which is either (i) presented or held in the bowl (main seating) portion of the Arena Facility, or (ii) presented or held in any other portion of the Arena Facility in a manner that precludes the use of the bowl (main seating) portion of the Arena Facility for other events or activities. If such event or activity is presented in its entirety more than once during a given day, all such presentations during such day shall be deemed one Event. If such event or activity is presented in its entirety on more than one consecutive day, each day on which such event or activity is presented shall be deemed a separate Event. For purposes of this paragraph, any event or activity that commences on a given day and is completed within the four hours immediately following the end of such day shall be deemed to have been presented in its entirety on the day such event or activity commenced.

“Event of Default” means a Team Owner Default, Arena Manager Default, or City Default and refers to an event that exists after the expiration of all applicable notice and cure periods and periods of Force Majeure.

“Exclusive Arena Manager Revenues” means, and excludes any revenues that are Exclusive City Revenues, (i) revenues from or in connection with Concessions at Hockey Events and, as applicable, other Events, (ii) revenues from or in connection with food and beverage services provided by Arena Manager at Hockey Events and, as applicable, other Events, (iii) revenues from or in connection with Naming Rights; (iv) revenues from or in connection with any Advertising, (v) Suite License Revenues and revenues from the licensing of Premium Seats, including any “premium,” “premium fee,” or “personal seat license fee”, and (vi) any revenues that are not Exclusive Team Revenues or Exclusive City Revenues.

“Exclusive City Revenues” means (i) all Impositions of the City, (ii) City Surcharge, and (iii) interest or other income derived from the investment of any of the foregoing.

“Exclusive Team Revenues” means all (i) Hockey Ticket Receipts (minus City Surcharge and Impositions); (ii) revenues from or in connection with the operation of Team Sales generated by Team Retail Stores; and (iii) sponsorship revenues and receipts, including television and radio broadcasting, promotional and other sponsorship fees received or collected in connection with the conduct of Hockey Events (excluding, for clarity, the Naming Rights); all of which shall be excluded from Operating Revenues.

“Exclusive Team Spaces” means the portions of the Arena Facility designed and constructed for the exclusive use by the Team Owner, including the team locker room (the space in the Arena Facility designed and constructed for the exclusive use by the Team Owner as a home team locker room, including dressing, locker, shower, lounge, training, exercise and video coaching areas), the Team Owner’s office, the Team’s storage areas, and the Team Retail Stores, as described on Exhibit “A”.

“Exculpatory Language” means the following language:

[Insert name of exculpating Person] acknowledges and agrees that (i) this [insert title of contract or agreement] imposes no contractual obligation on the City of Glendale; (ii) in the event of a default under this [insert title of contract or agreement], of any kind or nature whatsoever, [insert name of exculpating Person] shall look solely to [insert name of the Arena Manager or the Team Owner, as applicable] at the time of the default for remedy or relief; and (iii) no elected official, officer, employee, agent, independent contractor or consultant of the City of Glendale shall be liable to [insert name of exculpating Person], or any successor in interest to [insert name of exculpating Person], with respect to this [insert title of contract or agreement].

“Fee Activity” means any Event or other activity at the Arena Facility, the admission to which is controlled by a Ticket.

“Fiscal Quarter” means a three month period commencing on the first day of January, April, July or October, and ending on the last day of March, June, September or December, respectively.

“Fiscal Year” means a 12 month period commencing on July 1 and ending on June 30.

“Force Majeure” means any of the following that prohibits or delays the initial occupancy of the Arena Facility or prohibits or materially interferes with the occupancy, operation or use of the Arena Facility or any material portion thereof after the Effective Date: strikes; lock-outs; acts of the public enemy; the enactment, imposition or modification of any Applicable Law which occurs after the Effective Date and precludes performance under this Agreement; confiscation or seizure by any government or public authority; wars or war-like action (whether actual and pending or expected, and whether de jure or de facto); blockades; insurrections; riots; civil disturbances; governmental restrictions; epidemics; landslides; earthquakes; fires; hurricanes; floods; wash-outs; explosions; failure of major equipment or machinery critical to the occupancy, operation or use of the Arena Facility for its intended purposes; nuclear reaction or radiation; radioactive contamination; or any other cause, whether of the kind herein enumerated or otherwise, which is not reasonably within the control of the party claiming the right to alter, delay or postpone performance on account of such occurrence, but specifically excluding any financial condition, lack of funds, lack of financing, insolvency or bankruptcy of such party.

“Governmental Authority” means any federal, state, and local agency, department, commission, board, bureau, administrative or regulatory body or other governmental instrumentality having jurisdiction over the Arena Facility (or any portion thereof) and the transactions contemplated by this Agreement.

“Hazardous Material” means any chemical, element, compound, mixture, solution, or other substance that is prohibited, limited, governed, or regulated by any applicable federal, state or county, municipal, local or other statute, law, ordinance or regulation that related to or deals with the protection of human health, safety or the environment, and any rules, regulations or guidelines adopted or promulgated pursuant to any of the foregoing as they may be amended or replaced as of the Effective Date or the Closing Date, including by way of example and not limitation substances designated as “hazardous” or “toxic” under Section 102 of the Comprehensive Environmental Response, Compensation, and Liability Act; any hazardous substance or toxic pollutant designated under Section 311(b)(2)(a) or Section 307(a) of the Clean Water Act; and any imminently hazardous chemical substance or mixture with respect to which the Environmental Protection Agency Administrator has “taken action under” Section 7 of the Toxic Substances Control Act.

“Hockey Event” means any of the following when played or conducted at the Arena Facility: (i) any Home Game (including any related warm-up sessions); (ii) any All-Star Game (including any related warm-up sessions); or (iii) any Hockey-Related Event.

“Hockey Event Permitted Uses” include the following:

- a. Hockey Events;
- b. The use by the media for watching, broadcasting, and reporting on Hockey Events and other Team Owner activities; and
- c. The sale and distribution of Hockey Tickets.

“Hockey Event Spaces” means all portions of the Arena Facility, other than the Exclusive Team Spaces.

“Hockey-Related Event” means any Event (other than a Pre-season Game, Regular Season Game, Play-off Game or All-Star Game) conducted, sponsored or co-sponsored by the Team Owner, including any award ceremony, championship celebration, promotional performance or festival, breakfast, luncheon, dinner, ball, demonstration, exhibition, instruction or workshop. Notwithstanding the foregoing, the Hockey-Related Events described in this definition shall not exceed four such Hockey-Related Events in any Fiscal Year without the consent of the City, and shall be subject to the Scheduling Procedures.

“Hockey Rules” means all then applicable NHL policies, procedures, provisions, rules, regulations, by-laws, contracts and directives that govern the rights, duties, privileges and obligations of members of the NHL.

“Hockey Season” means a period beginning on the date officially promulgated by the NHL as the first day of training camp for a given NHL hockey season and ending on the date on which the last NHL Play-off Game is played for such season.

“Hockey Ticket” means a Ticket for a Hockey Event.

“Hockey Ticket Receipts” means the gross amount of money received by the Team Owner from the sale of Hockey Tickets, including Hockey Tickets for Suites and for Premium Seats and any City Surcharge assessed on or charged with respect to any Hockey Ticket.

“Home Game” means an NHL Pre-season Game, an NHL Regular Season Game or an NHL Play-off Game in which the Team is designated as the “home team”.

“Imposition(s)” means all governmental assessments, franchise fees, transaction privilege and use taxes, excise taxes, license and permit fees, levies, charges and taxes, general and special, ordinary and extraordinary, of every kind and nature whatsoever (irrespective of the nature thereof, including all such charges based on the fact of a transaction, irrespective of how measured) which at any time during the Term may be assessed, levied, confirmed or imposed upon: (a) the Arena or any portion thereof; and (b) any payments received by the Arena Manager or the Team Owner from any Person using or occupying the Arena Facility or any portion thereof.

“Interest Rate” means the annual interest rate that is announced from time to time by Wells Fargo Bank, N.A. or its successor as its “prime” lending rate, plus 2%. If, at any time during the Term, Wells Fargo Bank, N.A. or its successor no longer announces a “prime” lending rate, then the Interest Rate shall be the annual interest rate that is announced by a national bank reasonably selected by the parties and having an office in Phoenix, Arizona as such national bank’s “prime” lending rate, plus 2%. The Interest Rate shall change and be adjusted upon each announcement by Wells Fargo Bank, N.A. or its successor (or any substitute national bank selected by the parties pursuant to this definition) of each change in the “prime rate” used to determine the Interest Rate in the manner described in this definition. Except as otherwise expressly required by the terms of this Agreement, all interest to be paid pursuant to this Agreement shall be paid at the Interest Rate and shall be computed on the basis of a 360-day year consisting of 12 months of 30 days each and the actual number of days in any partial month.

“Land” shall mean the land parcel(s) on which any portion of the Arena Facility is located.

“License” means any agreement or contract (other than Tickets) entered into by the Arena Manager pursuant to the terms of this Agreement for the use of the Arena Facility (or any portion thereof) with any party (other than the Team Owner with respect to Hockey Events and the City with respect to City Sponsored Events) for a limited period of time (no more than 14 consecutive days), including any agreement or contract with a promoter or sponsor for Events or other activities at the Arena (other than Hockey Events and City Sponsored Events), but excluding the following: (i) this Agreement; (ii) Concessions Agreements; (iii) Suite License Agreements; (iv) Premium Seat Agreements; (v) Advertising Agreements; and (vi) Naming Rights Agreements.

“Licensee” means a Person entitled to use the Arena or a portion thereof pursuant to a License.

“Management Fee” shall have the meaning set forth in Section 10.

“Management Performance Standards” shall mean the performance standards for the Arena Manager and any Arena Sub-Manager, as set forth and described in Exhibit “C” attached hereto.

“Naming Rights” means the exclusive rights to designate or assign a brand, company, product or other name to, or have a name association with or sponsorship of, the following: one or more portions (or all) of the Arena Facility including the Arena Facility; concourses within the Arena Facility; the rink in the Arena Facility; panels, walls; media boards; scoreboards; equipment; entrances; exits; landscaping; pavilions; attractions; service areas; Team Owner Retail Stores; clubs; seating; communication systems; audio and video systems; Team mascots; Zambonis®; Team performers; Team ticket stock; and directional signage. Naming Rights shall not include the Naming Rights to any of the Arena Parking Area.

“Naming Rights Agreement” means any contract or agreement entered into by or on behalf of the Arena Manager for Naming Rights.

“NHL” means the National Hockey League, and any successor or assignee of the National Hockey League, or, if there is no National Hockey League or successor or assignee then operating, any other hockey-related association, league or other group or entity with which the Team Owner is affiliated.

“Noncompetition/Non-Relocation Agreement” means the Noncompetition and Non-Relocation Agreement, dated as of the Effective Date, by and among the City, the Arena Manager and the Team Owner.

“Notice of Team Assignment” shall have the meaning set forth in Section 12.1.3.

“Operating Account” means one or more depository accounts established and maintained for the benefit of the Arena Manager, the Team Owner, and the City at a federally-insured institution(s) having offices in the State of Arizona for the deposit and disbursement of Operating Revenues.

“Operating Expenses” means all expenses or obligations paid directly or incurred by or on behalf of the Arena Manager with respect to, or which are reasonably allocated to, the management and operation of the Arena Facility during the Term (all of which shall be the responsibility of the Arena Manager except to the extent specifically otherwise set forth herein), including: costs incurred in performing agreements and contracts pertaining to the management and operation of the Arena; Impositions; all expenses incurred to obtain Operating Revenues; salaries, wages and benefits of all personnel engaged in connection with the operation of the Arena Facility, including event staff and temporary staff; human resource support services and training and development expenses; contract labor expenses; maintenance and repair expenses; utility costs and expenses; deposits for utilities; common area maintenance expenses payable pursuant to any covenants, conditions or restrictions applicable to the land upon which the Arena Facility is located (as described in Exhibit B) or any portion thereof; the Arena Parking Area or any portion thereof; telephone expenses; expenses incurred under Licenses; telescreen, video or scoreboard operation expenses; dues, membership and subscription expenses; security expenses (including expenses incurred under the Safety and Security Agreement); management fees; audit fees; legal fees; other professional fees; refuse removal expenses; cleaning expenses; sales taxes; costs of office and other materials, supplies and equipment; Ticket commissions (other than Ticket commissions for Hockey Events and City Sponsored Events); insurance premiums and bond charges (including premiums and charges for fidelity/employee dishonesty bonds); data and information processing and storage expenses; advertising, marketing and public relations expenses; expenses and costs incurred in the production and promotion of Events and other activities at the Arena Facility (other than expenses and costs incurred in the promotion of Hockey Events and City Sponsored Events); pest control expenses; Arena Facility related entertainment expenses; employment fees; freight and delivery expenses; expenses for leasing, maintaining and repairing equipment; credit and debit facility costs and expenses and telecheck fees and expenses; travel, lodging and related out-of-pocket expenses properly allocable to the operation of the Arena Facility, including promotion of the Arena Facility, conferences, facility management seminars and classes; and any Claim or Loss (other than as expressly set forth in this Agreement) relating to the Arena Facility; provided, however, that amounts on account of the Exclusive City Revenues or Exclusive Team Revenues that are received for and paid to the City or the Team Owner respectively by the Arena Manager shall not be included as Operating Expenses; further provided that expenses or obligations, to the extent incurred or paid on behalf of Team Owner or to the extent reasonably allocable to the operation of the Team Owner’s business, shall not be included as Operating Expenses. Operating Expenses do not include expenses allocable to the Team Owner under Generally Accepted Accounting Principles or other reasonable allocation principles, including but not limited to allocations pursuant to the NHL’s Collective Bargaining Agreement.

Any Operating Expenses that relate to a period of time after the Termination Date shall be prorated between the City and the Arena Manager so that the City shall pay the portion of the Operating Expenses applicable to the period after the Termination Date, and the Arena Manager shall pay, pursuant to this Agreement, the portion of the Operating Expenses applicable to the period during the Term.

“Operating Revenues” means all revenues collected or otherwise received by the Arena Manager from the management and operation of the Arena (including all Exclusive Arena Manager Revenues, but excluding amounts received on account of the Exclusive City Revenues and Exclusive

Team Revenues and any interest earned on any of the foregoing), as determined on an accrual basis in accordance with Generally Accepted Accounting Principles. Operating Revenues do not include revenues allocable to the Team Owner under Generally Accepted Accounting Principles or other reasonable allocation principles, including but not limited to allocations pursuant to the NHL's Collective Bargaining Agreement.

"Parking Advertising" means advertising on all or part of the Arena Parking Area.

"Permitted Exceptions" means the permitted exceptions to title to the Arena and Arena Facility set forth in Exhibit "D" attached hereto.

"Person" means an individual, general or limited partnership, corporation, joint stock company, trust (including a business trust), unincorporated association, joint venture, limited liability company, Governmental Authority or other entity.

"Personal Property" means all movable items (not fixtures) owned by the Arena Manager, the Team Owner, any Affiliate of the Arena Manager or Team Owner, or the Team Owner's players located within or on any portion of the Arena Facility.

"Play-off Game" means any ice hockey game (i) in which the Team is a participant; (ii) which, under the Hockey Rules, is classified as a "play-off game for the NHL (Stanley Cup) championship; and (iii) which is, under the Hockey Rules, a "home game" of the Team, including, in the Team Owner's sole discretion, any related pre-event, intermission or post-event promotion, competition, performance, autograph session, show or other entertainment or activity presented at the Arena Facility for which there is no admission charge other than the price of the related Hockey Ticket.

"Premium Seat" means any seat (excluding any seat in a Suite, but including restaurant, bar and similar seating) in the Arena Facility that has services or amenities that are not available to general seating in the Arena Facility and for which the licensee thereof pays a premium over the price for general seating pursuant to a Premium Seat License Agreement.

"Premium Seat Agreement" means written contracts or agreements for (i) the use of Premium Seat(s) for Hockey Events, and (ii) the first right to purchase the use of such Premium Seat(s) for all other Events except Community Events, during the Term.

"Pre-season Game" means any ice hockey game (i) in which the Team is a participant; (ii) which is scheduled to be played prior to the portion of the Hockey Season promulgated by the NHL as the regular season; and (iii) which is, under the Hockey Rules, a "home game" of the Team, including, in the Team Owner's sole discretion, any related pre-event, intermission or post-event promotion, competition, performance, autograph session, show or other entertainment or activity presented at the Arena Facility for which there is no admission charge other than the price of the related Hockey Ticket.

"Qualified Ticket" means a Ticket to a Fee Activity for which (i) the Team Owner, with respect to Hockey Events; (ii) the Arena Manager or sponsor or promoter, with respect to Team Revenue Events, City Revenue Events and other Fee Activities that are not Events; or (iii) the City, with respect to City Sponsored Events, receives valuable consideration (whether in money, services, goods or other value). Any Ticket for which (i) the Team Owner, with respect to Hockey Events; (ii) the Arena Manager or the sponsor or promoter with respect to Team Revenue Events, City Revenue Events and other Fee Activities that are not Events; or (iii) the City with respect to City Sponsored Events, (a) receives no value, or (b)

receives money (but not any other services, goods or other value) for such Ticket in an amount less than 25% of the retail price stated on the face of such Ticket, shall not be a “Qualified Ticket”; provided, however, that, if the average number of Tickets described in the immediately preceding clauses (a) and (b) that are distributed by the Team Owner for each Hockey Event (other than Hockey-Related Events) in a given Hockey Season exceeds 1,000, then the number of Tickets by which the average number of Tickets described in the immediately preceding clauses (a) and (b) distributed by the Team Owner for each Hockey Event in such Hockey Season exceeds the average of 1,000 Tickets per Hockey Event in such Hockey Season shall be deemed “Qualified Tickets”, unless the City and the Team Owner mutually agree otherwise.

“Regular Season Game” means any ice hockey game (i) in which the Team is a participant; (ii) which is scheduled to be played during the portion of the Hockey Season promulgated by the NHL as the regular season; and (iii) which is, under the Hockey Rules, a “home game” of the Team, including, in the Team Owner’s sole discretion, any related pre-event, intermission or post-event promotion, competition, performance, autograph session, show or other entertainment or activity presented at the Arena Facility for which there is no admission charge other than the price of the related Hockey Ticket.

“Related Agreements” means the Noncompetition/Non-Relocation Agreement, the Safety and Security Agreement, and any agreement that is included as an Exhibit hereto or otherwise specifically contemplated by this Agreement.

“Renewal and Replacement Account” means one or more accounts, requiring the signatures of the Arena Manager and the City for withdrawals, maintained at a federally insured institution(s) having offices in the State of Arizona for the deposit of Capital Improvement Contributions and disbursement of Capital Improvement Expenditures as defined in Section 11.

“Replacement Arena Manager” means, in the event of an Arena Manager Withdrawal, a qualified arena manager designated by the Team Owner or the City, as applicable under Section 19.3.3, that agrees to assume the obligations of the Arena Manager under this Agreement.

“Safety and Security Agreement” means that certain Safety and Security Agreement in the form attached hereto as Exhibit “E”, to be entered into as of the Effective Date by and among the City, the Arena Manager and the Team Owner.

“Scheduling Procedures” means the scheduling procedures for the Arena Facility attached hereto as Exhibit “F”, as the same may be amended, from time to time, by agreement among the City, the Arena Manager and the Team Owner.

“Substantial Taking” means a Taking of the Arena Facility that, in the reasonable estimation of Arena Manager, will render the Arena Facility unsuitable for the Arena Manager’s operations as contemplated by this Agreement.

“Suite” means any portion of the Arena Facility that is constructed as a “suite” within the Arena Facility and designated by the Team Owner as a “suite”, including specialty suites, such as opera suites, party suites and “under stands” suites.

“Suite License Agreement” means written contracts or agreements for the license or use of Suites.

“**Suite License Revenues**” means the revenues received by the Arena Manager in connection with the licensing or rental of Suites.

“**Taking**” means the exercise of the right of eminent domain, with or without litigation, or the transfer in lieu or under the threat of eminent domain.

“**Team Assignee**” means a Person to which the Team Owner intends to make an assignment in accordance with the terms and conditions of this Agreement.

“**Team Owner Default**” means the occurrence of any of the following events:

a. If the Team Owner fails to pay when due any amount payable by the Team Owner hereunder, and such failure is not cured within 30 days after the Team Owner’s receipt of notice of such failure from any other party hereto;

b. If any representation or warranty made by the Team Owner in this Agreement at any time proves to have been incorrect in any material respect as of the time made, and if the Team Owner fails to cause such representation or warranty to become correct within 30 days after the Team Owner’s receipt of notice from any other party hereto that such representation or warranty was incorrect; provided, however, that if it is reasonably possible to cause such representation or warranty to become correct but it is not reasonably possible to cause such representation or warranty to become correct within such thirty-day period, then such cure period shall be for an unlimited period of time so long as the Team Owner (i) commences to cause such representation or warranty to become correct within 30 days after the Team Owner’s receipt of such notice, and (ii) thereafter diligently continues to cause such representation or warranty to become correct; or

c. If the Team Owner becomes insolvent; or admits in writing its inability to pay its debts as they mature; or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of a receiver or trustee for it or for a substantial part of its property or business;

d. If the Team Owner materially breaches any covenant or provision of this Agreement, and such breach is not cured within 30 days after the Team Owner’s receipt from any other party hereto of notice of such breach; provided, however, that if it is reasonably possible to cure such breach but it is not reasonably possible to cure such breach within such thirty-day period, then such cure period shall be for an unlimited period of time so long as the Team Owner (i) commences to cure such breach within 30 days after the Team Owner’s receipt of such notice, and (ii) thereafter diligently continues to cure such breach.

“**Team Locker Room**” means the space in the Arena Facility designed and constructed for the exclusive use by the Team Owner as a home team locker room, including dressing, locker, shower, lounge, training, exercise and video coaching areas.

“**Team Revenue Event**” means a revenue-producing Event, other than Hockey Events, Community Events, or City Sponsored Events, that is sponsored or co-sponsored by the Team Owner or that is conducted under, with, or in the Team’s name.

“Team Retail Stores” means any the area or areas in the Arena facility designed and exclusive use by the Team Owner for Team Sales, as described on Exhibit “A”.

“Team Sales” means sales by the Team Owner which result in Exclusive Team Revenues only.

“Term” means the period commencing on the Closing Date and ending on the Termination Date or, if earlier, the date on which this Agreement otherwise is terminated on the terms set forth herein.

“Termination Date” means the 30th day after the last day of the NHL hockey season commencing in 2031.

“Third Party” means a third party that is not the Team Owner, the Arena Manager or an Affiliate of the Team Owner or the Arena Manager.

“Ticket” means the ticket or other indicia by which admission to the Arena Facility for an Event or other activity at the Arena Facility is permitted and controlled.

1.2 Terms. Whenever the context shall so require, all words herein in any gender shall be deemed to include the masculine, feminine or neuter gender, and all singular words shall include the plural, and all plural words shall include the singular.

1.2.1 The words “herein,” “hereof,” “hereunder,” “hereby,” “this Agreement” and other similar references shall mean and include this Agreement and all amendments hereof and supplements hereto unless the context clearly indicates or requires otherwise.

1.2.2 The words “include,” “including,” and other similar references, shall mean “include, without limitation,” and “including, without limitation,” respectively.

1.2.3 The words “sole discretion” and other similar references shall mean “sole, absolute and unfettered discretion.”

1.2.4 Exhibits. Each exhibit referred to herein shall be considered a part of this Agreement as fully, and with the same force and effect, as if such exhibit had been included herein in full.

1.2.5 Language. The language used in this Agreement shall be deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against any party.

2. PARTY REPRESENTATIVES.

2.1 City Representative. The City Manager shall be the City’s authorized representative who shall act as liaison and contact person among the City and the other parties in administering and implementing the provisions of this Agreement. The City shall have the right to designate a substitute City Representative by providing notice of such designation to the other parties. The City Representative, or his authorized designee, shall respond to a request for the City Representative’s approval, consent or waiver under this Agreement within 10 days after receipt of such request or within such other period as may be expressly required by this Agreement or agreed to in writing by the parties. Except as expressly stated otherwise in this Agreement, the City Representative’s failure to respond to any such request within such ten-day or other applicable period shall be conclusively deemed the City’s denial of such request.

2.2 Arena Manager Representative. The Arena Manager's then current general manager of Arena Facility operations shall be the Arena Manager's authorized representative who shall act as liaison and contact person among the Arena Manager and the other parties in administering and implementing the provisions of this Agreement. The Arena Manager shall have the right to designate a substitute Arena Manager Representative by providing notice of such designation to the other parties. The Arena Manager Representative, or his authorized designee, shall respond to a request for the Arena Manager's approval, consent or waiver under this Agreement within 10 days after receipt of such request or within such other period as may be expressly required by this Agreement or agreed to in writing by the parties. Except as expressly stated otherwise in this Agreement, the Arena Manager Representative's failure to respond to any such request within such ten-day or other applicable period shall be conclusively deemed the Arena Manager's denial of such request.

2.3 Team Owner Representative. The Team Owner's then current chief operating officer shall be the Team Owner's authorized representative who shall act as liaison and contact person among the Team Owner and the other parties in administering and implementing the provisions of this Agreement. The Team Owner shall have the right to designate a substitute Team Owner Representative by providing notice of such designation to the other parties. The Team Owner Representative, or his authorized designee, shall respond to a request for the Team Owner's approval, consent or waiver under this Agreement within 10 days after receipt of such request or within such other period as may be expressly required by this Agreement or agreed to in writing by the parties. Except as expressly stated otherwise in this Agreement, the Team Owner Representative's failure to respond to any such request within such ten-day or other applicable period shall be conclusively deemed the Team Owner's denial of such request.

3. TERM.

3.1 Binding Effect; Closing Date. This Agreement shall be binding on the parties as of the Effective Date, but the obligations of the parties to perform under this Agreement are subject to the conditions set forth in Section 17.2. Specifically but without limitation, the provisions of this Agreement pertaining to the commencement of the demise and lease to the Arena Manager of the leasehold interest in the Arena pursuant to Section 5 and the commencement of the grant of the subleasehold to the Team Owner pursuant to Section 6 and the commencement of all rights and obligations associated with such leasehold and subleasehold, do not commence until the Closing Date. This Agreement shall terminate on the Termination Date, unless earlier terminated pursuant to the terms and conditions set forth in this Agreement.

3.2 Renewal. After the end of the 2029 NHL hockey season, the Arena Manager, the Team Owner, and the City will begin discussions to extend upon mutual agreement this Agreement for five years beyond the Termination Date, which discussions shall include the terms and conditions of the renewal; provided however, there shall be no renewal or extension of the Term unless there is a corresponding renewal or extension of the Noncompetition/Non-Relocation Agreement.

4. ARENA MANAGER.

4.1 Engagement of Arena Manager. The City and the Team Owner hereby engage the Arena Manager to be the sole and exclusive manager of the Arena Facility during the Term, with the responsibility for the operation, direction, management and supervision of the Arena Facility and its staff, subject to, and as more fully described in, this Agreement.

4.2 Compliance with Management Performance Standards.

4.2.1 Arena Manager shall manage the Arena during the Term in a manner that is consistent with the Arena Management Performance Standards.

(a) If the City notifies the Arena Manager that it has failed to comply with the Management Performance Standards (which claim shall be in writing and describe the bases therefor in reasonable detail), the Arena Manager shall, within 30 days after the Arena Manager's receipt of the City's notice of such breach, (i) cure the failure claimed by the City, or (ii) if it is reasonably possible to cure but it is not reasonably possible to cure within such thirty-day period, then such cure period shall be for an unlimited period of time so long as the Arena Manager (a) commences to cure within 30 days after the Arena Manager's receipt of such notice, and (b) thereafter diligently continues to complete such cure as soon as practicable thereafter, or (iii) retain an Arena Sub-Manager, subject to the reasonable approval of the City, for the duties and responsibilities of the Arena Manager for which the City claims the Arena Manager has failed to comply with the Management Performance Standards.

(b) In the event that the Arena Manager disputes such breach, such dispute shall be resolved by Arbitration pursuant to this Agreement.

4.2.2 The Arena Manager and the City acknowledge that a material consideration for this Agreement is the Arena Manager's ability to ensure that an NHL franchise shall be a primary tenant of the Arena during the Term; therefore, the Arena will be maintained and managed in a manner that facilitates that tenant's operations and is consistent with the Hockey Rules; provided however, the parties' rights and obligations under this Agreement shall not be materially diminished as a result of the parties' compliance with such Hockey Rules.

4.2.3 Arena Sub-Manager. The Arena Manager may, from time to time, to delegate all or a portion of its duties and responsibilities to an Arena Sub-Manager that shall comply with all of the Arena Manager's obligations under this Agreement with respect to the duties and responsibilities delegated.

4.2.4 Delegation. Any delegation of the Arena Manager's duties under this Section:

(a) Shall not release or discharge the Arena Manager from any of its duties or responsibilities under this Agreement;

(b) Shall not increase the amount of the Management Fees; and

(c) Shall be subject to the approval of the City, which approval shall not be unreasonably withheld or delayed.

(d) The Arena Manager shall cause any Arena Sub-Manager to perform the duties and responsibilities of the Arena Manager that are delegated to such Arena Sub-Manager in compliance with the Management Performance Standards.

(e) If the City claims that the Arena Sub-Manager has failed to comply with the Management Performance Standards, the City shall give the Arena Manager and the Team Owner notice of such claim.

(f) The Arena Manager shall, within 30 days after the Arena Manager's receipt of the City's notice, (i) cause the Arena Sub-Manager to cure the failure claimed by the City, or if incapable of cure within 30 days, commence cure within such period and use good faith efforts to complete such cure as soon as practicable thereafter, or (ii) discharge the Arena Sub-Manager and assume responsibility for the duties and responsibilities of the Arena Manager that had been delegated to the discharged Arena Sub-Manager.

5. DEMISE OF ARENA AND USE RIGHTS.

5.1 Demise of Arena Facility. The City hereby demises and lets to the Arena Manager, and the Arena Manager hereby takes and leases from the City, effective on the Closing Date, for the Term and upon the provisions hereinafter specified, the exclusive use of the Exclusive Team Space, together with the non-exclusive use of the entire balance and remainder of the Arena, which areas are indicated on the map included as Exhibit "A" hereto, in accordance with and subject to the terms and conditions set forth in this Agreement.

5.2 Grant of Use Rights. In addition to the rights granted by the City to the Arena Manager in the other provisions of this Agreement, the City hereby grants to the Arena Manager, and approves the right of the Arena Manager to grant to the Team Owner, during the Term, the exclusive right and obligation to use and occupy the Hockey Event Spaces during all Hockey Events for Hockey Event Permitted Uses, in accordance with and subject to the terms and conditions set forth in this Agreement.

5.2.1 The Arena Manager shall have the exclusive right (subject to the Arena Manager's grant to the Team Owner as set forth in Section 6.2 below) to use the Hockey Event Spaces for Hockey Event Permitted Uses for a reasonable time before, during, and for a reasonable time after the Hockey Event.

5.2.2 Subject to the rights of the Team Owner under this Agreement, the Arena Manager shall retain possession and control of all portions of the Hockey Event Spaces; provided, however, in exercising its control over the Hockey Event Spaces, the Arena Manager (i) shall not interfere in any material respect with Hockey Event Permitted Uses; and (ii) shall not allow any Person to enter the Hockey Event Spaces during any Hockey Event without a Hockey Ticket.

5.3 Compliance with Law. Neither the Arena Manager nor the Team Owner shall knowingly cause or permit the use of the Arena Facility in a manner that violates Applicable Law.

6. LEASEHOLD INTEREST.

6.1 Lease of Exclusive Team Spaces. In addition to the rights granted by the City to the Arena Manager in the other provisions of this Agreement, effective as of the Closing Date, (i) the City hereby leases the Exclusive Team Spaces to the Arena Manager, and the Arena Manager leases the Exclusive Team Spaces from the City, subject to the Permitted Exceptions, and (ii) the City hereby grants to the Arena Manager the non-exclusive right to use the common areas at the Arena Facility for all purposes reasonably necessary and convenient for the exercise of the Arena Manager's and the Team Owner's reasonable exercise of rights and performance of obligations under this Agreement, including without limitation for reasonably convenient access to and from the Exclusive Team Spaces, all for the duration of the Term, and in accordance with and subject to the terms and conditions set forth in this Agreement.

6.2 Sublease of Exclusive Team Spaces. The Arena Manager hereby subleases the Exclusive Team Spaces to the Team Owner, and the Team Owner subleases the Exclusive Team Spaces from the Arena Manager, and the Arena Manager grants to the Team Owner (i) the exclusive right and obligation to use and occupy the Hockey Event Spaces during all Hockey Events for Hockey Event Permitted Uses; and (ii) the non-exclusive right to use the common areas at the Arena Facility for reasonably convenient access to and from the Exclusive Team Spaces, subject to the Permitted Exceptions and all terms and conditions of this Agreement and the Noncompetition/Non-Relocation Agreement, all for the duration of the Term, and in accordance with and subject to the terms and conditions set forth in this Agreement.

6.2.1 The Team Owner, as the approved subtenant, shall pay all expenses of furnishing the Exclusive Team Spaces. The Arena Manager (or the Team Owner as its subtenant) shall have the right to use the Exclusive Team Spaces for any lawful purpose, consistent with and subject to the provisions of this Agreement.

6.2.2 The Arena Manager and City shall have the right to enter the Exclusive Team Spaces only as reasonably necessary to perform its obligations under this Agreement upon at least three days' notice to the Team Owner, except in the case of an Emergency, in which event the Arena Manager or City may enter the Exclusive Team Spaces upon reasonable notice. In exercising its right of entry to the Exclusive Team Spaces, the Arena Manager and City shall not interfere in any material respect with the Team Owner's operations or activities.

6.2.3 Team Equipment.

(a) The Team Owner may, as the approved subtenant, at the Team Owner's expense and risk, place such Team Owner equipment, furniture, fixtures and other moveable and non-moveable equipment owned or leased by the Team Owner and used exclusively by the Team Owner ("**Team Equipment**") at the Arena Facility, as the Team Owner may from time to time deem necessary or appropriate (i) in the Exclusive Team Spaces at any time, and (ii) in the Hockey Event Spaces at any time during which the Team Owner has the right to use the Hockey Event Spaces.

(b) The City acknowledges the Team Equipment is the property of the Team Owner and may be removed by the Team Owner at any time.

(c) The Team Owner shall be responsible for obtaining, at the Team Owner's expense, whatever insurance covering the Team Equipment the Team Owner deems appropriate.

6.3 Further Sublease Agreements. Upon the written request of the Team Owner, the Arena Manager or the City, the Team Owner and the Arena Manager shall enter into a written sublease agreement more specifically setting forth the terms and conditions of the sublease of the Exclusive Team Spaces from the Arena Manager to the Team Owner; provided however that such any such written sublease agreement (or amendment or modification thereto) shall be subject to the prior written consent of the City, which shall not be unreasonably withheld as to provisions that are consistent with this Agreement. Neither the Arena Manager nor the Team Owner shall (a) further sublease any portion of the Arena Facility, including the Exclusive Team Spaces, to any third party without the City's prior written consent, or (b) purport to grant any rights in excess of the rights granted by the City hereunder.

6.4 Rights and Obligations of Team Owner as Subtenant. The Team Owner, as subtenant of the Arena Manager pursuant to Section 6.2 above, shall be responsible only for those obligations expressly set forth in this Agreement and in the Noncompetition/Non-Relocation Agreement as

obligations applicable to the Team Owner, and the Team Owner shall not otherwise be responsible for performing any act or obligation, and shall not assume or incur any liability for or in connection with, any act or obligation in this Agreement and in the Noncompetition/Non-Relocation Agreement based on the terms of this Agreement and the Noncompetition/Non-Relocation Agreement.

6.5 Team Sales. The Team Owner shall have the sole and exclusive right, at all times during the Term, to engage in and conduct all Team Sales and to receive, as Exclusive Team Revenues, all revenue therefrom. Accordingly, neither the Arena Manager nor the City shall take any action with respect to, or have any authority over, Team Sales other than at the express direction of the Team Owner; provided, however, nothing in this Section shall be construed as a limitation on the City's governmental powers. The Team Owner shall bear and pay, from the Team Owner's own monies, all direct expenses attributable to Team Sales, including vendors and other personnel, equipment, costs of goods sold, advertising and promotional costs and rights fees.

6.6 Base Rent. As part of the consideration for the leasehold interest granted to the Arena Manager under this Agreement, during the Term the Arena Manager shall pay to the City rent in the following amounts, which shall be paid in equal quarterly installments, the first installment due and payable on the commencing on the Closing Date and thereafter each installment due and payable on or before each quarterly (on a three calendar month basis) anniversary of the Closing Date during the Term:

6.6.1 For the five years following the Closing Date, \$500,000 per year; and

6.6.2 Beginning of the sixth anniversary of the Closing Date and continuing until the day before the thirteenth anniversary of the Closing Date, \$650,000 per year; and

6.6.3 Beginning of the thirteenth anniversary of the Closing Date and continuing until the day before the twenty second anniversary of the Closing Date, \$800,000 per year.

6.7 Taxes on Arena Manager's Interest. The parties acknowledge and agree that the Arena Manager's leasehold interest in the Arena under this Agreement is exempt, under A.R.S. §42-6208(4), from the government property lease excise tax imposed under A.R.S. §42-6201 through §42-6210, but if such leasehold interest ceases to be exempt, the Arena Manager shall pay (or cause to be paid) prior to delinquency any government property lease excise taxes and similar taxes or fees that may be lawfully imposed on the leasehold interest of the Arena Manager under this Agreement (including any personal property taxes and any other taxes imposed with respect to such leasehold interest). Any payment of such tax shall constitute an Operating Expense hereunder.

6.8 Quiet Enjoyment. So long as the Arena Manager performs all of its obligations under this Agreement, the City shall do nothing (other than the acts permitted or required by this Agreement) that will prevent the Arena Manager or its licensees or subtenants from peaceably and quietly enjoying, using, and occupying the Arena Facility during the Term in the manner described in this Agreement, and shall defend the Arena Manager's quiet enjoyment, use and occupancy of the Arena Facility in the manner described in this Agreement (subject only to the Permitted Exceptions) against the claims of all Persons claiming by, under or through the City.

6.9 City Access.

6.9.1 The City, through appropriate designees, as landlord reserves the right to enter the portions of the Arena Facility, upon reasonable advance notice to the Arena Manager and, with

respect to the Exclusive Team Spaces, the Team Owner during the Arena Manager's regular business hours or other hours when the Arena Manager is open for business (other than during Events); provided however, that in exercising the City's rights under this Section the City shall not unreasonably interfere with the operations of the Arena Facility.

6.9.2 Notwithstanding any provision of this Agreement, the City does not in any manner limit its governmental rights, authority, responsibilities, or powers.

7. LICENSES.

7.1 Arena Manager's Authority. Effective as of the Closing, the Arena Manager shall have the sole and exclusive right to grant, negotiate, and enter into Licenses during the Term, subject to and in accordance with the provisions of this Agreement and the Scheduling Procedures.

7.2 Negotiations. The Arena Manager shall make commercially reasonable efforts to seek potential Licenses and shall, prior to negotiating the terms and conditions of a given License, determine the proposed manner of providing the Arena Manager with sufficient monies to pay the applicable City Surcharge with respect to the proposed License.

7.3 Requirements.

7.3.1 The Arena Manager shall cause:

(a) The terms, conditions and performance of each License to not, in any event, conflict with any provisions of this Agreement, any other License, or any Concessions Agreement, Suite License Agreement, Premium Seat Agreement, Advertising Agreement or Naming Rights Agreement.

(b) Each License for a Fee Activity to require that the Licensee pay to the Arena Manager an amount not less than the aggregate City Surcharge for such Fee Activity.

(c) Each License for any Activity in the Arena Facility to include the Exculpatory Language.

7.3.2 If, under the circumstances contemplated by a given License, it is commercially reasonable to do so in order to attract an Event, the Team Owner shall agree in such License to close or limit the operations of the Team Retail Stores during the Event that is the subject of such License.

7.4 Execution and Performance. The Arena Manager shall (in the name of the Arena Manager and not of the City) execute the License and thereafter perform the licensor's obligations under such License.

7.5 Existing Licenses. The Arena Manager shall use commercially reasonable efforts to comply with and perform the obligations under Licenses assumed under the NHL Purchase Agreement and existing on the Closing Date until such Licenses expire or are terminated in accordance with their respective terms.

7.6 City Revenue Events.

7.6.1 The Arena Manager has the sole discretion under this Agreement to approve or disapprove all License applications for Events that are submitted by prospective Licensees. The Arena Manager shall promptly deliver notice (which notice may be oral) to the City of its disapproval of any completed License application together with the terms and conditions of such proposed License. Subject to the Scheduling Procedures, all Concessions Agreements, all Suite License Agreements, all Premium Seat Agreements, all Advertising Agreements, all Naming Rights Agreements and the requirements set forth in this Section, the City shall have the right, to the extent the prospective Licensee remains willing to enter into a License upon such terms and conditions as are set forth in the License application, to cause the Arena Manager to enter into such proposed License, notwithstanding the disapproval of such proposed License by the Arena Manager, by giving the Arena Manager notice of the City's agreement to pay to the Arena Manager the amount by which the expenses that are directly attributable to the Event contemplated by the proposed License exceeds the revenues directly attributable to such Event (which shall then be a **"City Revenue Event"**). The Arena Manager shall use commercially reasonable efforts to either approve or disapprove such License application quickly enough to provide the City with a reasonable opportunity to exercise its rights under this Section 7.6.

7.6.2 The City's notice pursuant to Section 7.6.1 shall be given to the Arena Manager within such time as the Arena Manager reasonably designates when the Arena Manager provides notice to the City of its disapproval of a License application pursuant to Section 7.6.1.

7.6.3 The Arena Manager shall maintain separate records of all revenues and all expenses directly attributable to each City Revenue Event, and all amounts received for deposit and deposited into the City Surcharge Account with respect to such City Revenue Event. For clarity, only payments or other considerations to be made or provided that (i) are calculated solely on the basis of sales made or transactions completed during a City Revenue Event directly relating to such City Revenue Event or (ii) are payable solely because a given City Revenue Event is held shall be "directly attributable" to such City Revenue Event.

7.6.4 The Arena Manager, at the time the quarterly financial report for such Fiscal Quarter is submitted to the parties pursuant to Section 8.15, shall either:

(a) If the aggregate of the expenses directly attributable to the City Revenue Events held during a given Fiscal Quarter exceeds the aggregate of the revenues directly attributable to the City Revenue Events, set-off against any distributions or payments to be made to the City for such Fiscal Quarter the amount by which the aggregate of such expenses exceeds the aggregate of such revenues and submit to the City an invoice for any shortfall for which the City will provide reimbursement within 30 days , or

(b) If the aggregate of the revenues directly attributable to the City Revenue Events exceeds the aggregate of the expenses directly attributable to the City Revenue Events held during a given Fiscal Quarter, remit to the City within 30 days after the end of the Fiscal Quarter the excess of the revenue over the expenses.

7.6.5 In no event shall any License entered into by the Arena Manager pursuant to this Section 7.6 be a Team Revenue Event.

7.7 Enforcement of Licenses. The Arena Manager shall make commercially reasonable efforts to enforce all Licenses.

7.8 Collection and Allocation of Revenues. The Arena Manager shall make commercially reasonable efforts to collect revenues under and generated by all Licenses.

8. ARENA MANAGEMENT.

8.1 Management and Operations of the Arena Facility. From and after the Closing Date, the Arena Manager shall take all actions necessary for the management of the Arena Facility in accordance with this Agreement, the Management Performance Standards, and the applicable Annual Budget, and the Arena Manager shall perform all of the obligations described in this Agreement. Without limiting the generality of the foregoing, the Arena Manager is authorized to and shall, in a commercially reasonable manner, do the following:

8.1.1 Collect Operating Revenues and pay Operating Expenses in the manner required by this Agreement;

8.1.2 Maintain and furnish, in the manner required by this Agreement, all financial records and information required by this Agreement;

8.1.3 Employ, pay, train and supervise, as employees of the Arena Manager and not of the City or the Team Owner, all personnel (other than fire and police personnel, which are to be provided by and employees of the City) that are necessary for the operation of the Arena Facility; determine all matters with regard to such personnel, including compensation, bonuses, employee benefit plans, hiring, training and replacement; and prepare, on the Arena Manager's behalf, and file when due, all forms, reports and returns required by Applicable Law relating to the employment of such personnel;

8.1.4 Other than security to be provided pursuant to the terms of the Safety and Security Agreement, provide or arrange for security and paramedics for the Arena Facility for the purpose of maintaining public order and safety in and around the Arena Facility, including the enforcement of safety policies and procedures and the determination of appropriate safety and security staffing levels and patterns, the review and approval of security measures and the exclusion or ejection from the Arena Facility of persons or items in the interest of safety or security;

8.1.5 Maintain, repair and replace all materials, tools, machinery, equipment and supplies necessary for the maintenance and operation of the Arena Facility;

8.1.6 Operate and maintain the Arena Facility in good, clean order, condition and repair and in compliance with (i) the Arena Maintenance Standard; (ii) all Applicable Law; (iii) all NHL requirements in effect from time to time; and (iv) the provisions of this Agreement, and provide for, either directly or by reimbursement, cleaning of, and trash removal for, properties in the vicinity of the Arena Facility following Events and other activities at the Arena Facility;

8.1.7 Coordinate and administer a preventative maintenance program for the Arena Facility;

8.1.8 Coordinate and administer a safety program for the Arena Facility;

8.1.9 Arrange for all utility and other services for the Arena (including electricity for Hockey Events in compliance with applicable NHL requirements and sufficient to light the Arena Facility with the degree of illumination required for color televising and broadcast of Hockey Events), and pay or cause to be paid when due all charges for water, sewer, gas, light, heat, cooling, telephone, electricity and other utilities and services rendered to or used in connection with the operation of the Arena Facility;

8.1.10 Maintain or cause to be maintained all necessary licenses, permits and authorizations for the Arena Manager's management of the Arena Facility in accordance with this Agreement and Applicable Law;

8.1.11 Furnish to the City the reports and other information regarding the Arena Facility and the management as required herein;

8.1.12 Other than Tickets and credentials issued by the Team Owner or any promoter or sponsor of any Event or other activity at the Arena Facility, or any agent thereof, issue all Tickets and credentials for Events and other activities at the Arena Facility;

8.1.13 Verify (and require certificates with respect thereto) that (i) each Licensee has obtained and is maintaining the insurance required by the applicable License; (ii) each concessionaire under a Concessions Agreement has obtained and is maintaining the insurance required by the applicable Concessions Agreement; (iii) the Arena Manager has obtained or caused to be obtained, and is maintaining or causing to be maintained, the insurance required to be obtained and maintained by the Arena Manager pursuant to this Agreement; (iv) the Team Owner has obtained and is maintaining the insurance required to be obtained and maintained by the Team Owner pursuant to this Agreement; and (v) with respect to each City Sponsored Event, the City has obtained the insurance, or has made adequate arrangements for self-insurance, for such Event as required by this Agreement;

8.1.14 Establish and maintain bookings, calendars and schedules for Events and other activities at the Arena Facility booked or scheduled in accordance with the Scheduling Procedures, and use commercially reasonable efforts to schedule and book such Events and other activities in order to utilize the Arena Facility as much as possible in accordance with this Agreement and the Scheduling Procedures; and

8.1.15 To the extent Home Games are cancelled or a Hockey Season is shortened or cancelled, diligently use further commercially reasonable efforts to schedule and book such Events and other activities in order to utilize the Arena Facility as much as possible in accordance with this Agreement and the Scheduling Procedures.

8.1.16 Manage City Revenue Events and Community Events in accordance with this Agreement.

8.2 Management and Operation of Parking.

8.2.1 Parking Rights. In consideration of the covenants by the Arena Manager in this Agreement and of the execution and delivery of the Noncompetition/Non-Relocation Agreement by the Team Owner and Arena Manager, on the Closing Date, the City will transfer to the Arena Manager all of the City's rights and obligations with respect to the Arena Parking Area, including the Arena Parking Rights. The City shall not take any action to reduce the Arena Parking Area, and will ensure that the

Arena Parking Area provides 5,500 parking spaces for each Event during the Term; provided, however, that if the Arena Manager notifies the City no less than three days prior to an Event that fewer parking spaces are required, the City shall only be required to make available such lower number of parking spaces.

(a) Except as provided in Section 8.2.1(c), the Arena Manager shall take all actions necessary to provide, manage and operate, for the benefit of the Arena Facility, the Arena Parking Areas.

(b) The Arena Manager shall cause the Arena Parking Areas to be available for each Event at a reasonable time prior to the commencement of such Event and continuing until a reasonable time after the completion of such Event.

(c) The Arena Manager shall be responsible for the sweeping and other light cleaning of the Arena Parking Areas promptly after an Event; however, the Renewl and Replacement Account, Section 11.5, may be used for capital maintenance and repair of the Arena Parking Areas, including but not limited to patching, resurfacing, sealing and striping.

(d) All costs and expenses incurred by the Arena Manager in managing and operating the Arena Parking Area shall be paid by the Arena Manager; provided, however, that all costs and expenses incurred by the City pursuant to its obligations in Section 8.2.1(c) shall be paid by the City.

(e) The Arena Manager shall receive as Operating Revenue all revenue from the Arena Parking Areas, including revenue from Parking Advertising. Within 10 days after receipt of any revenue received from Parking Advertising, the Arena Manager shall remit to the City an amount equal to 15% of such revenue from Parking Advertising. Other than as provided in the preceding sentence, the Arena Manager shall not be obligated to remit any revenue from the Arena Parking Areas to the City (subject to applicable taxes, and further provided that this Section 8.2.1(e) shall not limit the Arena Manager's obligations to remit amounts to the City pursuant to Sections 7.6.4(b) or 8.8.2(d)(ii)).

(f) As soon as practicable after the Closing, the Arena Manager and the City will develop a set of mutually acceptable policies and procedures for the operation, maintenance and improvement of the Arena Parking Areas including, but not limited to, the process for relocating any portion of the Arena Parking Areas when that is necessary.

8.2.2 Traffic Control and Parking Security. Pursuant to the terms and conditions of the Safety and Security Agreement, the Arena Manager shall cooperate with the City and the Team Owner to develop, and to from time to time revise, a traffic management and parking security plan to facilitate the ingress and egress of traffic to and from, and the security in Arena Parking Areas for, all Events.

8.3 Event Requirements.

8.3.1 Hockey Events.

(a) Arena Manager and Team Owner shall cause the Team to play not fewer than 40 Regular Season Games at the Arena.

(b) In the event that the Arena Manager and Team Owner do not play 40 Regular Season Games, the Arena Manager and Team Owner, jointly or severally, will pay to the City an

amount equal to \$60,000 multiplied by a number equal to the Regular Season Games required by this Section less the Regular Season Games actually played.

8.3.2 Arena Manager Events.

(a) Each Fiscal Year Arena Manager shall cause to occur through its efforts not less than 30 Arena Manager Events.

(b) In the event additional Arena Manager Events exceed the number required by this Section, the City shall pay Arena Manager within 30 days after the end of the then current Fiscal Year an amount equal to \$500,000 multiplied by the number of Additional Arena Manager Event Blocks.

(c) In the event that the Arena Manager does not through its efforts cause 30 Arena Manager Events to occur at the Arena, the Management Fee next due from the City to Arena Manager will be reduced by an amount equal to \$25,000 multiplied by a number equal to the Arena Manager Events required by this section less the Arena Manager Events that actually occurred.

8.4 Quality Standard.

8.4.1 Standard. In performing its obligations under this Agreement, the Arena Manager shall manage and operate the Arena Facility in a manner consistent with the Management Performance Standards and the Arena Maintenance Standard.

8.4.2 Consultation with the Team Owner. The Arena Manager shall, in managing the Arena Facility pursuant to this Agreement, solicit the Team Owner's input on, and recommendations regarding, maintenance, repairs, safety, staffing and operation and service standards, and shall, consistent with this Agreement, make commercially reasonable efforts to implement such recommendations.

8.4.3 Staffing for Events. The Arena Manager shall furnish trained event staff and personnel sufficient for the operation and maintenance of the Arena Facility and Arena Parking Areas for each Event (and with respect to Hockey Events, in such number and with such qualifications as the Team Owner may reasonably require consistent with NHL requirements and procedures) and other activities at the Arena Facility, including an event coordinator, security personnel, ticket takers, ushers, first aid attendants, janitors, cleaning personnel, plumbers, electricians, carpenters, maintenance crew and supervisors qualified to operate the Arena Facility, which expenses shall be Operating Expenses.

(a) The Arena Manager shall adopt and enforce such grooming, dressing, and identification and cleanliness standards for event staff and other Arena Manager employees who will have contact with guests and patrons during Events and other activities at the Arena Facility as the Team Owner may from time to time reasonably require.

(b) The Arena Manager shall implement such customer service, security and hospitality training for event staff as the Team Owner may from time to time reasonably require.

(c) All expenses incurred by the Arena Manager in connection with the event staff shall be Operating Expenses.

8.5 Concessions.

8.5.1 Concessions Agreements. The Arena Manager has the sole and exclusive right during the Term to negotiate and enter into all Concessions Agreements, and shall assume, to the extent required under the NHL Purchase Agreement, any existing Concessions Agreement entered into prior to the Closing Date to the extent permitted by such Concessions Agreement.

(a) Concession Agreements shall be made upon such commercially reasonable terms and conditions as the Arena Manager deems appropriate in its reasonable discretion. Without the consent of the Arena Manager, the Team Owner shall not take any action with respect to, or have any authority over, Concessions and Concessions Agreements.

(b) Arena Manager shall retain as Exclusive Arena Manager Revenues all payments and other consideration to be made to or provided pursuant to a given Concessions Agreement to the extent not directly attributable to a Team Revenue Event or a City Sponsored Event.

(c) The Arena Manager shall cause, and shall cause each Concessions Agreement to require that, all payments and other consideration to be made to or provided by the concessionaire under a Concessions Agreement (i) be paid to the Arena Manager, as Operating Revenues, to the extent directly attributable to a Team Revenue Event or a City Sponsored Event, and (ii) be paid to the City, to the extent directly attributable to a Community Event. For clarity, only payments or other considerations to be made or provided pursuant to a Concessions Agreement that (A) are calculated solely on the basis of sales made or transactions completed during a Team Revenue Event or a City Sponsored Event directly relating to such Team Revenue Event or City Sponsored Event, or (B) are payable solely because a given Team Revenue Event or City Sponsored Event is held shall be “directly attributable” to such Team Revenue Event or City Sponsored Event.

(d) The Arena Manager shall, within 10 days after the execution of a Concessions Agreement, give to the City notice of the execution of the Concessions Agreement, the name of the concessionaire that is a party to such Concessions Agreement, and the products or services to be offered by such concessionaire under such Concessions Agreement.

(e) The Arena Manager shall cause all Concessions Agreements to contain the Exculpatory Language and a provision requiring that food and beverage service for the City Suite shall be provided at the same cost and manner as food and beverage service provided to the “Owner’s Suite” or any suite licensed to or used by the Arena Manager, the Team Owner, or their respective Affiliates, whichever is lowest.

(f) The Arena Manager shall maintain a copy of each Concessions Agreement during the term of such Concessions Agreement and for a period of six years thereafter (or such longer time as may be required by Applicable Law) and the City shall have the right to inspect a copy of each Concessions Agreement, after reasonable notice to the Arena Manager, at the Arena Manager’s office during normal business hours.

8.5.2 Food and Beverage Services. Subject to the terms of any Concessions Agreement, License, Advertising Agreement, or Naming Rights Agreement, the Arena Manager shall have the right to offer food and beverage services directly to consumers at the Arena Facility in lieu of, or in addition to, food and beverage services that are offered pursuant to Concessions Agreements.

(a) The Arena Manager shall, if it is commercially reasonable to do so in order to attract a given Event (other than a Hockey Event or a Team Revenue Event), permit the

distribution (without charge) of food and beverage samples by a Licensee for such Event during such Event.

(b) All revenues received by the Arena Manager from food and beverage services offered by the Arena Manager pursuant to this Section shall, to the extent not directly attributable to a Team Revenue Event or a City Sponsored Event, be retained by the Arena Manager as Exclusive Arena Manager Revenues.

(c) The Arena Manager shall cause all revenues received by the Arena Manager from such food and beverage services, (i) to be paid to the Arena Manager, as Operating Revenues, to the extent directly attributable to a Team Revenue Event or a City Sponsored Event, and (ii) to be paid to the City, less the variable costs and expenses directly incurred by the Arena Manager in providing such services, to the extent directly attributable to a Community Event. For clarity, only payments or other considerations to be made or provided that (A) are calculated solely on the basis of sales made or transactions completed during a Team Revenue Event or a City Sponsored Event directly relating to such Team Revenue Event or City Sponsored Event, or (B) are payable solely because a given Team Revenue Event or City Sponsored Event is held shall be “directly attributable” to such Team Revenue Event or City Sponsored Event.

(d) Notwithstanding anything to the contrary in this Section, the provisions of this Section shall not apply to Team Sales.

8.5.3 Arena Manager Provision of Food and Beverage Services. If the Arena Manager elects to provide food and beverage services at the Arena, then the benefits to the City from the Arena Manager’s offering of such services with respect to City Sponsored Events shall be no less favorable than could be obtained from a Third Party with respect to such Events. In such event, the Arena Manager shall, at least 15 Business Days prior to the commencement of the Arena Manager’s provision of any such food or beverage services, give the other parties notice of the services to be offered by the Arena Manager, together with reasonable evidence that the benefits to the City from the Arena Manager’s offering of such services with respect to City Sponsored Events will be no less favorable than could be obtained from a Third Party with respect to such Events.

(a) The City shall have 15 Business Days after receipt of such notice to give the Arena Manager notice that either (i) the City agrees that the benefits to the City from the Arena Manager’s offering of such services with respect to a City Sponsored Events are no less favorable than could be obtained from a Third Party, or (ii) the City claims that such benefits are less favorable than could be obtained from a Third Party with respect to such Events.

(b) If the City does not give such notice within such 15 Business Day period, the City shall be deemed to have agreed that such benefits are no less favorable than could be obtained from a Third Party with respect to such Events.

(c) If the City notifies the Arena Manager that the City claims that the benefits to the City from the Arena Manager’s offering of such services are less favorable than could be obtained from a Third Party with respect to such Events, the Arena Manager shall obtain *bona fide* bids for comparable services from not less than two Third Parties, taking into consideration not only price, but also quality, reliability, experience, expertise, ability to perform and similar factors, and such evidence shall be conclusive as to whether the proposed benefits to the City from the Arena Manager’s offering of such services are fair and acceptable.

8.6 Advertising and Media.

8.6.1 Arena Manager Advertising. Except as provided in this Section, the Arena Manager shall have the sole and exclusive rights to post, exhibit, display and otherwise present, and to sell and license, all Advertising during the Term. Accordingly, neither the Team Owner nor the City, except as provided in this Section, shall take any action with respect to, or have any authority over, the posting, exhibition, display, sale or license of Advertising or Advertising Agreements, other than at the express direction of the Arena Manager.

8.6.2 Advertising Revenue. The Arena Manager shall receive all revenue from Advertising at the Arena and shall not be obligated to remit any such revenue to the City (subject to applicable taxes).

8.6.3 City Advertisements. The Team Owner shall cause all printed game programs produced by the Team Owner at Home Games and at All-Star Games (subject to the Hockey Rules) to include a one-page advertisement acknowledging the City's role in providing facilities for the Team and promoting attributes of the City. No advertisement permitted by this Section shall be applicable to programs produced by third parties or increase the cost to the Team of producing the program in which the advertisement is to appear (other than by adding a page to the program). The text and design for each such advertisement shall be prepared by the City, at the City's expense, and shall be provided to the Team Owner with sufficient lead time to allow the Team Owner a commercially reasonable time to arrange for the inclusion of such advertisement in such program.

8.6.4 Naming Rights.

(a) The Arena Manager, in consultation with the Team Owner, shall have the sole and exclusive rights to sell and license all Naming Rights to be effective during the Term; provided, however, that the sale or license of Naming Rights to the Arena Facility shall be subject to the approval of the City, which shall not be unreasonably withheld; provided however, the City's rejection of any entity with which the City is currently in litigation or litigation is overtly threatened shall be deemed reasonable. The Arena Manager shall use commercially reasonable efforts to cause the name "Glendale" (for example: "XXXXXX ARENA in Glendale, Arizona") to be included in the use of name of the Arena Facility or a major component thereof; provide however, Arena Manager shall not be required to incur additional costs as a result of the inclusion of "Glendale" in the use of the Arena's Name.

(b) The Arena Manager shall receive all revenue from the sale and licensing of Naming Rights, including any unpaid amount under the current Naming Rights Agreement, and shall, within 10 days after receipt of any revenue received from the sale or licensing of Naming Rights, remit to the City an amount equal to 15% of the portion of such gross revenue from the sale and/or license of Naming Rights that is attributable to signage (except for any unpaid amount under the current Naming Rights Agreement, which the parties agree shall not be subject to such 15% charge).

(c) During such time that the Naming Rights have been sold or licensed under this Agreement, when reasonably possible to do so, the Arena Manager shall use commercially reasonable efforts to cause "Glendale, Arizona" to be included in or after uses of the name of the Arena Facility.

8.6.5 Names, Logo and Schedule.

(a) Team.

(i) At the request of the Team Owner, the Arena Manager shall prominently display the Team's name, logo and schedule in areas around the Arena Facility. The size, location and appearance of such displays shall be developed and mutually agreed upon by the Team Owner and the Arena Manager. No display or any other material prepared or permitted by the Arena Manager or the City shall use the name, any logo or any trade or service mark of the Team without the Team Owner's prior consent, which consent may be given or withheld by the Team Owner in its sole discretion.

(ii) The Team Owner shall use commercially reasonable efforts to have the name of the Team changed to the "Arizona Coyotes" as soon as is commercially feasible.

(b) City. At the request of the City, the Arena Manager shall display the City's name and logo at the Arena Facility in a manner and at a location reasonably acceptable to the Arena Manager and the City; provided however, that no display or any other material prepared or permitted by the Arena Manager or the Team Owner shall use the name, any logo or any trade or service mark of the City without the City's prior consent, which consent may be given or withheld by the City in its sole discretion.

8.6.6 Broadcasts. The Team Owner has and shall retain the sole and exclusive rights to control, and to receive as Exclusive Team Revenues all revenue from, all radio, television and other media broadcasts, reproductions and transmittals of the pictures, descriptions and accounts of Hockey Events and all other activities of the Team, the Team Owner and the visiting teams incidental to Hockey Events, regardless of the nature of the technology or the medium and whether distributed locally, nationally or otherwise.

(a) The Team Owner's rights shall apply to, without limitation, cable television, pay television, direct broadcast satellite television, subscription television, master antenna and satellite antenna television, closed circuit television, Internet and broadband distribution and any other technology now in existence or hereafter developed.

(b) The Team Owner's rights include the right to, from time to time, enter into agreements or other arrangements with other parties (including agreements with "truck producers") pursuant to which such other parties may exercise any or all of the rights of the Team Owner to control and receive revenue from such broadcasts, reproductions, transmittals and distributions.

8.6.7 Use of Communication Systems. The City shall have the right to use (without charge) the Communication Systems for a reasonable number of times (to be mutually agreed upon by the City and the Team Owner) during each Hockey Event solely for the purpose of making public service announcements, and for a reasonable number of times (to be mutually agreed upon by the City and the Team Owner) during each Hockey Event solely for the purpose of making announcements concerning future City Sponsored Events.

(a) Subject to the terms of any License, the City shall have the right to use (without charge) the Communication Systems for a reasonable number of times (to be mutually agreed upon by the City and the Arena Manager) during each Event (other than a Hockey Event) solely for the

purpose of making public service announcements, and for a reasonable number of times (to be mutually agreed upon by the City and the Arena Manager) during each Event (other than a Hockey Event) solely for the purpose of making announcements concerning future City Sponsored Events. The City acknowledges that Licenses for Events (other than Hockey Events) may prohibit the City's use of the Communication Systems during such Events.

(b) No announcement permitted by this Section shall exceed a reasonable time (to be mutually agreed upon by the City and the Team Owner or the Arena Manager, as applicable) in duration. The City shall be responsible, at the City's expense, for the creation of all announcements to be made pursuant to this Section.

(c) For the purposes of this Agreement, "**Communications Systems**" refers to all audio and visual Communication Systems that are owned by the City and that are located at, in or on the Arena Facility, including scoreboards, satellite hook-ups, television and loudspeaker systems, public address systems, outdoor speakers, timers, clocks, message centers and video screens, specifically excluding, however, any Advertising and any Parking Advertising displayed or otherwise presented on, in or by any portion of such audio and visual communication systems.

8.7 Suites.

8.7.1 Suite License Agreements. The Arena Manager shall have the sole and exclusive right to the following:

(a) To enter into Suite License Agreements upon such terms and conditions consistent with this Agreement and as the Arena Manager in its reasonable discretion deems appropriate; and

(b) To receive Suite License Revenues.

(c) The Arena Manager shall cause each Suite License Agreement to include the following:

(i) The Exculpatory Language;

(ii) A commercially reasonable provision requiring that the licensee under such Suite License Agreement execute and deliver, from time to time at the request of the Arena Manager, the Team Owner, or the City, accurate estoppel certificates regarding such Suite License Agreement;

(iii) A commercially reasonable provision requiring that the licensee under such Suite License Agreement obtain and maintain, during the term of such Suite License Agreement, insurance covering any damage to or destruction of the corresponding Suite caused by or attributable to any act or omission of such licensee and any agent, employee, guest or invitee of such licensee;

(iv) A commercially reasonable provision providing that the licensee under such Suite License Agreement shall be liable for any damage to or destruction of the corresponding Suite or any other portion of the Arena Facility caused by or attributable to any act or omission of such licensee and any agent, employee, guest or invitee of such licensee; and

(v) A commercially reasonable provision providing for (A) the waiver by the licensee under such Suite License Agreement of any Claim or Loss arising from or attributable to the use of such Suite by such licensee and its agents, employees, guests and invitees, and (B) such licensee's agreement to indemnify, hold harmless and defend the Arena Manager, the Team Owner, the City and the NHL, and their respective city council members and elected officials (with respect to the City), agents, directors, employees, other officials and officers, against any Claim or Loss arising from or attributable to the use of such Suite by such licensee and its agents, employees, guests and invitees.

8.7.2 Services to Suites. The Arena Manager shall provide to each Suite (with the cost thereof being an Operating Expense) (i) heating, ventilation and air-conditioning so as to provide a temperature in the Suite during the use thereof that is reasonably comfortable; (ii) electricity for lighting and use of the appliances and equipment in the Suite; (iii) water; (iv) cleaning after each use and at other times reasonably necessary to keep the Suite in a clean and neat condition; and (v) maintenance and repair of the Suite as required to maintain the Suite in a first-class condition.

8.7.3 City Suite. The City shall have the right to continue to use the existing Suite used by the City (Suite Nos. 1238 and 1239), including Tickets (for seating and standing room in such Suite) to all Events, all at no cost to the City. Food and beverage service for such Suite shall be provided at the same cost and manner as food and beverage service provided to the "Owner's Suite" or any suite licensed to or used by the Arena Manager, the Team Owner, or their respective Affiliates, whichever is lowest.

8.8 Premium Seat Agreements. The Arena Manager shall have the sole and exclusive right to enter Premium Seat Agreements.

8.8.1 The Arena Manager shall have the sole and exclusive right to receive, as Exclusive Arena Manager Revenues, all Premium Seat revenues.

8.8.2 The Arena Manager shall cause each Premium Seat Agreement to include the following:

(a) The Exculpatory Language;

(b) A commercially reasonable provision requiring that the licensee under such Premium Seat Agreement execute and deliver, from time to time at the request of the Arena Manager, the Team Owner, or the City, accurate estoppel certificates regarding such Premium Seat Agreement;

(c) A commercially reasonable provision providing for (a) the waiver by the licensee under such Premium Seat Agreement of any Claim or Loss arising from or attributable to the use of such Premium Seat by such licensee and its agents, employees, guests and invitees, and (b) such licensee's agreement to indemnify, hold harmless and defend the Arena Manager, the Team Owner, the City and the NHL, and their respective city council members and elected officials (with respect to the City), agents, directors, employees, officials and other officers against any Claim or Loss arising from or attributable to the use of such Premium Seat by such licensee and its agents, employees, guests and invitees; and

(d) A commercially reasonable provision providing that the licensee under such Premium Seat Agreement shall have the right to purchase a Ticket for the Premium Seat described in such Premium Seat Agreement for each Event, other than a Hockey Event or Community Event, at the Ticket price established by and to be paid to the sponsor or promoter of such Event (including any applicable City Surcharge), pursuant to the procedures from time to time established by the Arena Manager for the exercise of such right.

8.8.3 Procedures. The Arena Manager shall establish, and from time to time revise, the procedures requiring the licensee under a Premium Seat Agreement to exercise, with respect to each Event other than a Hockey Event and a Community Event, the licensee's right to purchase a Ticket for the Premium Seat described in such Premium Seat Agreement for such Event sufficiently in advance of such Event so as to provide the sponsor or promoter of such Event with a reasonable opportunity to sell such Ticket if such licensee has not exercised its right to purchase such Ticket within the time period specified by such procedures.

8.9 Scheduling. The Arena Manager shall schedule all events and other activities at the Arena Facility in accordance with the Scheduling Procedures.

8.9.1 Hockey Event Responsibilities.

(a) Condition of Arena Facility for Hockey Events. The Arena Manager shall cause, not later than a reasonable time prior to the commencement of a given Hockey Event, the Arena Facility to be in a condition suitable for the Team's use of the Arena Facility for such Hockey Event, including, to the extent applicable:

(i) furnishing of the ice playing surface in accordance with all NHL requirements for Hockey Events; and

(ii) furnishing in good operating order, condition and repair, in accordance with all NHL requirements, all required goals and backup goals, nets, lines and striping, dashboards, protective glass systems, photographers and media areas, time keeper areas, player penalty boxes, on-ice officials box, goal judge boxes, goal lights, ice surfacing equipment, signs and markers, team benches, tables and chairs, lighting, the Arena Communication Systems, remote broadcast systems, coach phone hookups and all other special equipment and facilities necessary or desirable for the Hockey Event.

(b) Ice Surface.

(i) The Arena Manager shall, at the request of the Team and subject to scheduling of other Events, remove and replace the ice surface in the Arena Facility, as an Operating Expense, if such surface does not meet any NHL requirement or requirement of the Hockey Rules.

(ii) In addition, the Arena Manager, as an Operating Expense, shall (A) remove and replace (or cover) the ice surface in the Arena Facility as necessary to accommodate the preparation for, or conduct of, Events other than Hockey Events, and (B) restore the ice surface to meet NHL requirements and all of the Hockey Rules prior to each Hockey Event.

(c) Hockey Tickets. The Team Owner (i) shall control the pricing, the advertising of and on, and the distribution (including the distribution for no charge) of Hockey Tickets,

whether Hockey Tickets are issued directly by the Team Owner, through agencies, or other designees authorized by the Team Owner; and (ii) shall receive and retain, as Exclusive Team Revenues, all Hockey Ticket Receipts (other than any such revenues constituting Exclusive City Revenues). Neither the City nor the Arena Manager shall issue any Hockey Ticket or authorize anyone else to do so or admit any Person to a Hockey Event without a valid Hockey Ticket.

8.9.2 City Sponsored Events. Subject to the Scheduling Procedures, all Concessions Agreements, all Suite License Agreements, all Premium Seat Agreements, all Advertising Agreements and all Naming Rights Agreements, the City shall have the non-assignable right to use the Arena Facility, except for the Exclusive Team Spaces, for not more than four City Sponsored Events each Fiscal Year.

(a) Prior to the scheduling of a City Sponsored Event that is a Fee Activity, the City shall give the Arena Manager notice of whether the City elects to waive the City Surcharge with respect to such City Sponsored Event, and if such notice is not provided it shall be deemed an election by the City not to waive such fees with respect to that City Sponsored Event.

(b) The City shall take such actions as are required to cause the payment to the Arena Manager of an amount not less than the aggregate amount of City Surcharge for each such City Sponsored Event, except to the extent that the City has waived, pursuant to this Agreement, such fees.

(c) The Arena Manager shall maintain separate records of all revenues and all expenses directly attributable to each City Sponsored Event, and all amounts received for deposit and deposited into the City Surcharge Account with respect to each City Sponsored Event. For clarity, only payments or other considerations to be made or provided that (A) are calculated solely on the basis of sales made or transactions completed during a City Sponsored Event directly relating to such City Sponsored Event or (ii) are payable solely because a given City Sponsored Event is held shall be “directly attributable” to such City Sponsored Event.

(d) The Arena Manager shall, at the time the quarterly financial report for such Fiscal Quarter is submitted to the parties pursuant to Section 8.15:

(i) If the aggregate of the expenses directly attributable to all City Sponsored Events held during a given Fiscal Quarter exceeds the aggregate of the revenue directly attributable to City Sponsored Events, set-off against any distributions or payments to be made to the City for such Fiscal Quarter the amount by which the aggregate of such expenses exceeds the aggregate of such revenues and submit an invoice for the shortfall to the City for reimbursement within 30 days (any such set-off and/or reimbursed amounts constituting Operating Revenues), or

(ii) If the aggregate of the revenues directly attributable to City Sponsored Events held during a given Fiscal Quarter exceeds the aggregate of the expenses directly attributable to City Sponsored Events held during a given Fiscal Quarter, remit to the City the amount by which the aggregate of such revenues exceeds the aggregate of such expenses within 30 days after the end of the Fiscal Quarter.

8.9.3 Community Events. Subject to the Scheduling Procedures, all Concessions Agreements, all Advertising Agreements and all Naming Rights Agreements, the City shall have the non-assignable right to use the Arena Facility, except for the Exclusive Team Spaces, for Community Events up to six times per Fiscal Year.

(a) The Arena Manager and the City shall take such actions as are required to cause all revenues generated by Community Events to be paid directly to the City, and such revenues shall not be Operating Revenues.

(b) Prior to the scheduling of a Community Event that is a Fee Activity, the City shall give the Arena Manager notice of whether the City elects to waive the City Surcharge with respect to such Community Event, and if such notice is not provided it shall be deemed an election by the City not to waive such fees with respect to that Community Event.

(c) The City shall take such actions as are required to cause the payment to the Arena Manager of an amount not less than the aggregate City Surcharge for such Community Event, except to the extent the City has properly waived, pursuant to this Agreement, such fees.

8.10 Arena Accounts.

8.10.1 Operating Account. The Arena Manager shall, prior to the Closing Date, establish and maintain the Operating Account and make commercially reasonable efforts to collect Operating Revenues and, upon collection, deposit all Operating Revenues collected into the Operating Account not later than two Business Days after receipt.

8.10.2 Application of Monies in Operating Account. The Arena Manager shall cause the monies in the Operating Account to be applied to the payment of Operating Expenses as and when they become due and payable; such monies shall otherwise be available to the Arena Manager and the Team Owner as needed from time to time.

8.10.3 City Surcharge Account. The Arena Manager shall, prior to the Closing Date, establish and maintain the City Surcharge Account, and shall make deposits into the City Surcharge Account of all City Surcharge not later than two Business Days after the date on which such City Surcharge was deemed to have been earned. For purposes of this Agreement, the date on which a City Surcharge is deemed to have been earned shall be the date of the Fee Activity actually occurs, in which case there was no cancellation or postponement of the Fee Activity.

(a) Interest and other income earned on amounts held in the City Surcharge Account shall not be Operating Revenues and shall be the property of the City.

(b) The City shall make withdrawals from the City Surcharge Account at any time and from time to time in the City's sole discretion.

8.11 Impositions.

8.11.1 The Arena Manager shall pay or cause to be paid, as Operating Expenses, any and all Impositions that accrue after the Closing Date and during the Term, as and when they become due and payable, and before any fine, penalty, interest or cost may be added thereto or become due or be imposed by operation of law for the nonpayment thereof, except for Impositions being contested in good faith by appropriate proceedings diligently pursued and for which the Arena Manager has made adequate reserves for the Imposition and any additional fees, interest, or penalties.

8.11.2 Subject to Section 8.11.1 above, the Arena Manager may contest the legal validity or amount of any Imposition to be paid by the Arena Manager hereunder, and may institute such proceedings as the Arena Manager considers necessary therefor.

8.11.3 The City may require the Arena Manager to contest any Imposition; provided, however, that the Arena Manager shall not be required to proceed with any such contest that would cause the Arena Manager to suffer undue financial burden.

8.11.4 All costs and expenses incurred by the Arena Manager under this Section shall be Operating Expenses.

8.12 Contracts and Agreements.

8.12.1 Exculpatory Language. The Arena Manager shall cause all contracts or agreements entered into by the Arena Manager or the Team Owner and relating in any way to the Arena Facility (including Licenses, Concessions Agreements, Suite License Agreements, Premium Seat Agreements, Advertising Agreements, Naming Rights Agreements and vendor contracts) to contain the Exculpatory Language.

8.12.2 Assignment and Transfer. The Arena Manager shall cause every contract or agreement to which the Arena Manager or the Arena Sub-Manager is a party that (a) pertains to the management, operation and use of the Arena Facility, (b) provides for consideration in excess of \$100,000, and (c) has a term of more than one year, including any options to renew or extend (excluding this Agreement, any Related Agreement, any agreement between the Arena Manager and the Arena Sub-Manager, and any employment agreements entered into by the Arena Manager or the Arena Sub-Manager), to provide for the following:

(a) The right of the Arena Manager or the Arena Sub-Manager (as applicable), in connection with a replacement of the Arena Manager or the Arena Sub-Manager (as applicable) under this Agreement, to transfer and assign such contract or agreement, or the Arena Manager's or the Arena Sub-Manager's (as applicable) interest in such contract or agreement, to an assignee or transferee approved by the Team Owner and the City, provided that

(i) such transfer or assignment fully assigns all of the rights and delegates all of the duties of the Arena Manager or the Arena Sub-Manager (as applicable) under such contract or agreement to such assignee or transferee, and

(ii) such assignee or transferee assumes the Arena Manager's or the Arena Sub-Manager's (as applicable) duties thereunder; and

(b) That upon such transfer or assignment, the non-assigning party(ies) shall thereafter look solely to such assignee or transferee for performance of the Arena Manager's or the Arena Sub-Manager's (as applicable) duties under such contract or agreement.

8.12.3 City's Right to Cure.

(a) The Arena Manager shall cause any contract or agreement entered into by the Arena Manager or the Arena Sub-Manager with respect to the management, operation and use of the Arena Facility (other than this Agreement, any Related Agreement, any agreement between the Arena

Manager and the Arena Sub-Manager and any employment agreements entered into by the Arena Manager or the Arena Sub-Manager), which agreement or contract provides for consideration in excess of \$100,000 and has a non-terminable term of more than one year (including any option to renew or extend), to provide that, if a material default is asserted against the Arena Manager or the Arena Sub-Manager(if any), then the City shall have the right, but not the obligation, to cure such default, as set forth in the immediately following sentence;

(b) The City shall not exercise such right if the Arena Manager or the Arena Sub-Manager is taking action to contest or cure the asserted default unless the City reasonably determines that the actions of Arena Manager or Arena Sub-Manager will not effectively or timely cure the default.

(c) The Arena Manager shall cause each such contract or agreement entered into after the Closing Date shall provide that (i) any default asserted against the Arena Manager or the Arena Sub-Manager shall require written notice to the Arena Manager or the Arena Sub-Manager and to the Team Owner and the City; and that (ii) the City has 15 days after the expiration of the cure time permitted the Arena Manager or the Arena Sub-Manager to exercise the City's right to cure any asserted default.

(d) If the City fails to timely exercise its right to cure, the City shall have waived such right.

(e) If the City elects to cure an asserted default in accordance with this Section, the City shall be entitled to reimbursement by the Arena Manager of all reasonable costs and expenses incurred by the City in curing such default from Operating Revenues without limiting the City's other remedies against the Arena Manager or Arena Sub-Manager.

8.12.4 Arena Manager Affiliate Contracts.

(a) No Arena Manager Affiliate Contract shall be less favorable to Arena Manager than could be obtained from a Third Party, provided that the foregoing requirement and the City's right to demand compliance with subsection (b)-(d) below shall not apply with respect to an Arena Manager Affiliate Contract if the Arena Manager certifies that such contract (i) can have no adverse effect on the performance by the Arena Manager of its obligations under this Agreement, (ii) cannot increase Operating Expenses, and (iii) cannot decrease Operating Revenues. The Arena Manager shall maintain a separate and distinct file with complete copies of all Arena Manager Affiliate Contracts available for inspection by the City (or a representative thereof) at the Arena Facility at any time during normal business hours.

(b) City and the Team Owner separately shall have 15 Business Days after receipt of such copy to give the Arena Manager (and the other parties) notice that either (i) the party giving notice agrees that the terms and conditions of the Arena Manager Affiliate Contract are no less favorable than could be obtained from a Third Party, or (ii) the party giving notice claims that such terms and conditions are less favorable than could be obtained from a Third Party.

(c) Except in the circumstances where a reasonable determination can be made that the terms and conditions are clearly less favorable, if the City or Team Owner does not give such notice within such 15 Business Day period, then the City or Team Owner shall be deemed to have agreed that such terms and conditions are no less favorable than could be obtained from a Third Party.

(d) If either the City or the Team Owner notifies the Arena Manager that the notifying party claims that the terms and conditions of an Arena Manager Affiliate Contract do not appear to have been made on a fair market, arms-length equivalent basis, the Arena Manager shall obtain *bona fide* bids for comparable services from not less than two Third Parties, taking into consideration not only price, but also quality, reliability, experience, expertise, ability to perform and similar factors, and such evidence shall be conclusive as to whether the proposed Affiliate contract is fair and acceptable.

8.13 Accounting Procedures. The Arena Manager shall establish and maintain accounting procedures for the Arena Accounts on an accrual basis, in accordance with Generally Accepted Accounting Principles applied on a consistent basis throughout the periods indicated (commonly referred to as “GAAP”).

8.14 Annual Budget.

8.14.1 Requirement. The Arena Manager shall, not later than May 31 of each year, prepare and submit to the City and the Team Owner for their respective review and approval, a proposed Annual Budget, for the period beginning on the July 1 following the end of the first full Fiscal Year and ending on June 30 of the following year, and for each Fiscal Year thereafter during the Term.

8.14.2 Initial Period and First Fiscal Year. The Arena Manager has prepared in consultation with the City and the Team Owner, and the City and the Team Owner have reviewed and, by the execution hereof, the City and the Team Owner have approved (i) an Annual Budget for the period commencing on the Closing Date and ending on the last day of the Fiscal Year during which the Closing Date occurs and (ii) an Annual Budget for the first full Fiscal Year of the Term; the form of such Annual Budgets are attached hereto as Exhibits “G”.

8.14.3 Review. Each of the City and the Team Owner shall review each proposed Annual Budget (and any revised proposed Annual Budget submitted to the City and the Team Owner pursuant to this Section) and give a notice of approval or disapproval thereof to the Arena Manager (with a copy to the other of the City or the Team Owner, as applicable).

(a) The City shall review the Annual Budget to assure it is substantially in accord with the obligations set forth in this Agreement and is not substantially inconsistent with budget of other similar arena facilities. The Arena and Team shall agree upon the standard of the Team’s review of the Annual Budget and provide written notice of that standard to the City.

(b) The City and Team shall provide the Arena Manager its notice of approval or disapproval of the budget within 15 days after receipt of such proposed Annual Budget; provided, however, that the failure by the City or the Team to deliver an approval of the proposed Annual Budget within such time period shall be deemed to be approval thereof.

8.14.4 Disapproval. Any notice of disapproval of a given proposed Annual Budget shall state in detail the basis for such disapproval.

(a) Upon disapproval of a given proposed Annual Budget pursuant to this Section, the Arena Manager shall revise such proposed Annual Budget and submit the revised proposed Annual Budget to the City and the Team Owner for review and approval or disapproval under this Section.

(b) Beginning with the second full Fiscal Year of the Term, if the Annual Budget for a given Fiscal Year is not approved by the City and the Team Owner pursuant to this Section prior to the commencement of such Fiscal Year, then the approved Annual Budget for the immediately preceding Fiscal Year, increased by the greater of (i) 5% and (ii) if positive, the increase in the Consumer Price Index for all Urban Consumers for the prior year, per line item per Fiscal Year, shall remain in effect until a replacement Annual Budget is approved by the City and the Team Owner pursuant to this Section or by an Arbitrator as provided herein.

8.15 Revisions and Reallocations.

(a) The Arena Manager may from time to time, after notice to the City and the Team Owner, revise the approved Annual Budget as reasonably necessary to reflect any unanticipated circumstances; provided, that if and only if the total budgeted Operating Expenses of such original Annual Budget are less than the Management Fees payable for that Fiscal Year, the City shall review and have the right to approve (or disapprove) the proposed revision to the Annual Budget in the manner set forth above in this Section.

(b) The Arena Manager may from time to time, after notice to the City and the Team Owner, reallocate all or part of the amounts allocated to one or more expense line items in the then applicable Annual Budget so long as such reallocations do not increase the total aggregate amount of all of the expense items in such Annual Budget or materially change the projected timing of revenues and expenses.

8.15.2 Unbudgeted Expenses.

(a) Circumstances may arise that require, in the reasonable opinion of the Arena Manager, unbudgeted expenses (whether as Operating Expenses or expenditures for Capital Improvements), and in each such case, the Arena Manager shall within a reasonable time provide notice to the City and the Team Owner of such unbudgeted expenses and, if and only if the quarterly variance for such unbudgeted expenses is more than 10% of the amount budgeted for Operating Expenses for such Fiscal Quarter (which, for the avoidance of doubt, will not be cumulative with any prior Fiscal Quarter), the Arena Manager shall provide a reasonably detailed explanation of the circumstances giving rise to such expenses.

(b) If the City refuses to recognize such unbudgeted expenses as Operating Expenses or expenditures for Capital Improvements, such dispute shall be resolved by Arbitration as provided herein.

8.15.3 Emergencies. The Arena Manager shall, promptly after acquiring knowledge that an Emergency exists, give notice to the City and the Team Owner of the existence of such Emergency and a description of the circumstances of such Emergency.

(a) If the Arena Manager determines that Capital Improvements are required to alleviate such Emergency, the Arena Manager shall promptly notify the City and the Team Owner of the need to make such Capital Improvements and the nature of the same; and

(b) The Arena Manager shall undertake the emergency Capital Improvements, subject, in each case, to the City's responsibility to provide for, and to reimburse the Arena Manager for its incurrence of any costs relating to, such Capital Improvements.

(c) If the City refuses to recognize such expenditures as Capital Improvements necessary to alleviate an Emergency, such dispute shall be resolved by Arbitration as provided herein.

8.15.4 Monitoring of Budget. The Arena Manager shall, on an ongoing basis during each Fiscal Year, (i) monitor all actual expenses and revenues; (ii) compare such actual revenues and expenses to the corresponding categories of budgeted expenses and revenues for such Fiscal Year; and (iii) promptly give notice to the City and the Team Owner of any circumstances that indicate to the Arena Manager that there may be a need to incur unbudgeted expenses.

8.16 Financial Reports.

8.16.1 Periodic Reports. Commencing on the Closing Date and continuing during the Term, the Arena Manager shall provide to the parties the following financial reports in a format and with a level of detail reasonably agreed to by the parties:

(a) Monthly Financial Reports. Not later than the last day of each calendar month, (a) a statement setting forth the prior calendar month's Operating Revenues, Operating Expenses, and expenditures for Capital Improvements; and (b) a statement setting forth the end of the month balances for each of the Arena Accounts (other than the City Surcharge Account) and describing the reasons for any transfers between or among accounts (other than withdrawals by the City from the City Surcharge Account) during the prior calendar month.

(b) Quarterly Financial Reports. Not later than 60 days after the end of each of the first three Fiscal Quarters of each Fiscal Year, a balance sheet relating to Arena Facility operations as of the end of such Fiscal Quarter, and statements of income and cash flows relating to Arena Facility operations for the period commencing at the end of the previous Fiscal Year and ending with the end of such Fiscal Quarter.

(c) Annual Financial Reports. Not later than 90 days after the end of each Fiscal Year, provided, that if all necessary information from the NHL related to the following items (a), (b) and (c) shall not have been received by the date which is 30 days after the end of each Fiscal Year, then interim reports shall be provided within the normal time frame and final reports shall be provided within 60 days after the receipt of all necessary information from the NHL related thereto): (a) a balance sheet relating to Arena Facility operations as of the end of such Fiscal Year, (b) a statement of profit or loss for Arena Facility operations during such Fiscal Year, and (c) a statement of changes of financial condition for Arena Facility operations during such Fiscal Year, each prepared in accordance with GAAP as consistently applied (if there are multiple interpretations of the application of GAAP, GAAP as traditionally interpreted by the Arena Manager and the Team Owner shall apply) (collectively, the "**Annual Financial Reports**"), and accompanied by a report containing an opinion of the Arena Manager's accountants, stating that such Annual Financial Reports fairly present, in all material respects, the activities to which such Annual Financial Reports relate, that such Annual Financial Reports have been prepared in accordance with GAAP as consistently applied and that the examination by the Arena Manager's accountants in connection with such financial reports was made in accordance with GAAP.

(d) Accountants. The Arena Manager's independent certified public accounting firm shall be a nationally recognized public accounting firm selected by the Arena Manager. Following not less than a 30-day notice to the other parties, the Arena Manager may from time to time engage replacement accountants.

(e) GAAP. All financial statements shall be prepared in accordance with GAAP, except that the unaudited financial statements need not contain all footnotes required by generally accepted accounting principles. The financial statements shall fairly present in all material respects the financial condition and operating results as of the dates, and for the periods, indicated therein, subject in the case of the unaudited financial statements to normal year-end audit adjustments.

8.16.2 Inspection.

(a) The Arena Manager shall, for a period of five years after the end of the Fiscal Year to which they pertain (or such longer time as may be required by Applicable Law), keep and maintain complete Account Records.

(b) The Arena Manager shall require any Arena Sub-Manager to comply with the provisions of this Section and the inspection and audit rights of the parties granted herein.

(c) The Arena Manager shall keep the Account Records separate and identifiable from any other records of the Arena Manager.

(d) Upon not less than five Business Days' notice to the Arena Manager and the other parties, each of the City and the Team Owner (including their respective accountants and attorneys) shall be entitled to inspect the Account Records, during the period the Arena Manager is required to maintain them, at the Arena Manager's office during normal business hours.

8.17 Audits.

8.17.1 The City shall have the right to conduct an independent audit of the management and operation of the Arena Facility and the Account Records and the Team Owner Records by an independent certified public accounting firm selected by the City.

(a) Any such audit shall be conducted after reasonable notice to the Arena Manager and at the Arena Manager's normal business hours.

(b) Notwithstanding any provisions to the contrary in this Agreement, the City's right to conduct such an independent audit after the Termination Date shall survive any termination of this Agreement.

8.17.2 Overpayments/Underpayments.

(a) If any such audit reveals an overpayment or an underpayment of any amount to be paid or distributed under this Agreement, then the City shall deliver to the Arena Manager a copy of the report of such audit prepared by the City's independent certified public accounting firm.

(b) The Arena Manager shall have the right to review such report and provide within 30 days of the receipt of the report information supporting an amount different from that set forth in the report, which different amount may indicate that there has been no overpayment or underpayment; and the parties shall in that event proceed in good faith to resolve any disagreement regarding such amount.

(c) Within 30 days after the resolution of any such disagreement, if an overpayment or underpayment shall have occurred, in the case of an underpayment, the Arena Manager

shall make a payment to rectify such underpayment, or, in the case of an overpayment, the City shall make a payment to rectify such overpayment.

8.17.3 Disputes. In the event of a dispute between or among the parties regarding the accuracy of the results of an audit conducted pursuant to this Section, the dispute shall be submitted to Arbitration as provided in this Agreement.

8.17.4 No Limitation on Governmental Powers. Nothing in this Section shall be construed as a limitation on the City's governmental powers to audit and review tax reports and tax returns.

8.18 Litigation.

8.18.1 Litigation Reports.

(a) The Arena Manager shall deliver to the City and the Team Owner each month a report describing any of the following incidents that have occurred during the prior month of which the Arena Manager has knowledge:

(i) Any injury to any Person at the Arena Facility that requires either immediate on site, or subsequent off-set medical attention; or

(ii) Any incident that the Arena Manager reasonably determines is likely to lead to the commencement of one or more legal actions or proceedings by a Person.

(b) The Arena Manager shall notify the City no less than one Business Day following any fatality or serious bodily injury to any patrons or employees working at the Arena Facility, assaults or incidents involving five or more individuals, and theft or property damage greater than, in a single instance, \$5,000.

8.18.2 Notices and Information. The Arena Manager shall, promptly after acquiring knowledge of the commencement of any legal action or proceeding relating to the Arena Facility, give any insurer and the other parties notice of such commencement, and keep the other parties reasonably advised of the status of, and all significant developments in, any such legal action or proceeding.

8.18.3 Retention of Counsel. In consultation with the other parties, the Arena Manager shall, in good faith, retain counsel with respect to the defense, settlement, or tender of defense to an applicable insurer, with respect to all legal actions or proceedings regarding the Arena Facility.

8.18.4 Costs. Unless the costs and expenses are incurred as a result of an intentional breach of this Agreement, the gross negligence, intentional misconduct or criminal acts of the Arena Manager or the Team Owner or any of their respective agents, employees, officials or other representatives, all costs and expenses incurred by the Arena Manager in defending, settling, or prosecuting such legal actions and proceedings shall be Operating Expenses.

8.18.5 Participation. The City or Team Owner shall have the right to participate, at their own respective expense, and not as an Operating Expense, in any legal action or proceeding described in this Section.

8.19 Use by the Team and Occurrence of Home Games. In connection with the Arena Manager's management of the Arena Facility, the Arena Manager shall secure the substantial, regular and continuing use by the Team and the occurrence of Home Games at the Arena Facility during the Term as provided in the Noncompetition/Non-Relocation Agreement by causing the Team Owner to execute and deliver the Noncompetition/Non-Relocation Agreement. The Arena Manager shall cause Team Owner to fully comply with the terms of the Noncompetition/Non-Relocation Agreement.

9. CHARGES AND FEES.

9.1 City Surcharge.

9.1.1 The Arena Manager shall take the following actions to collect and hold in trust for the City for the purposes of depositing into the City Surcharge Account, and which shall not be Operating Revenue, a surcharge in the amount described in this Section 9.1 for each Qualified Ticket (the "**City Surcharge**"):

9.1.2 Amount of the City Surcharge. The City Surcharge shall be in the following amounts:

(a) For the first five years following the Closing Date, \$2.75 per Qualified Ticket with respect to each Fee Activity (for which the City has not waived the City Surcharge); and

(b) Beginning on the sixth anniversary of the Closing Date and continuing until end of the Term, \$3.00 per Qualified Ticket with respect to each Fee Activity (for which the City has not waived the City Surcharge);

9.1.3 Hockey Events. The Arena Manager shall, with respect to each Hockey Event that is a Fee Activity, deposit into the City Surcharge Account all amounts payable as City Surcharge pursuant to this Section with respect to such Hockey Event, within two Business Days after such City Surcharge is deemed to have been earned (as provided in Section 8.10.3 hereof).

9.1.4 Team Revenue Events and City Revenue Events. The Arena Manager shall, with respect to each Team Revenue Event and City Revenue Event that is a Fee Activity, deposit into the City Surcharge Account all amounts payable as City Surcharge pursuant to this Section with respect to such Team Revenue Event and City Revenue Event, within two Business Days after such City Surcharge is deemed to have been earned (as provided in Section 8.10.3 hereof).

9.1.5 City Sponsored Events. The Arena Manager shall, with respect to each City Sponsored Event that is a Fee Activity and for which the City has not waived the City Surcharge, deposit into the City Surcharge Account all amounts payable as City Surcharge pursuant to this Section with respect to such City Sponsored Event, within two Business Days after such City Surcharge is deemed to have been earned (as provided in Section 8.10.3 hereof).

9.1.6 Licenses for Other Fee Activities. With respect to a Fee Activity that is not a Hockey Event, Team Revenue Event, City Revenue Event or City Sponsored Event, the Arena Manager shall deposit into the City Surcharge Account all amounts payable as City Surcharge pursuant to this Section with respect to such Fee Activity, within two Business Days after such City Surcharge is deemed to have been earned (as provided in Section 8.10.3 hereof).

9.2 Separate Statement of Fees on Tickets. To facilitate the verification of City Surcharge:

9.2.1 The Team Owner shall cause the retail price of each Hockey Ticket to be stated on the face of such Hockey Ticket, and shall require that admission for a Hockey Event (including for Suites and Premium Seats) be pursuant to a Hockey Ticket;

9.2.2 The Arena Manager shall cause each License for a Team Revenue Event or a City Revenue Event to require that the retail price of each Ticket for such Event be stated on the face of such Ticket, and that admission for each such Event (including for Suites and Premium Seats) be pursuant to a Ticket;

9.2.3 The Arena Manager and the City (as applicable) shall cause the retail price of each Ticket for a City Sponsored Event to be stated on the face of such Ticket, and shall require that admission for each City Sponsored Event (including for Suites and Premium Seats) be pursuant to a Ticket; and

9.2.4 With respect to a Fee Activity that is not a Hockey Event, Team Revenue Event, City Revenue Event or City Sponsored Event, the Arena Manager shall cause each License for a Fee Activity that is not an Event shall require that the retail price of each Ticket for such Fee Activity be stated on the face of such Ticket, and that admission for each such Fee Activity (including for Suites and Premium Seats) be pursuant to a Ticket.

10. ARENA MANAGEMENT FEE; TAXATION.

10.1 Management Fee. During the Term, in consideration of the Arena Manager's agreement to perform the management and other services set forth in this Agreement, provided there is no breach by the Team Owner of the obligations under the Noncompetition/Non-Relocation Agreement or a material breach by the Arena Manager of the obligations under this Agreement, the City shall pay to the Arena Manager, by wire transfer of immediately available funds to an account specified by the Arena Manager, a Management Fee, paid in quarterly (on a three calendar month basis) installments commencing on the Closing Date and thereafter on or before each October 1st, January 1st, April 1st and July 1st during the Term:

For the period beginning on the Closing Date and ending on June 30, 2013, \$11,000,000;

10.1.1 Beginning on July 1, 2013 and ending on June 30, 2014, \$14,000,000;

10.1.2 Beginning on July 1, 2014 and continuing each year until June 30, 2016, \$15,000,000 per year;

10.1.3 Beginning on July 1, 2016 and continuing each year until June 30, 2017, \$16,000,000 per year;

10.1.4 Beginning on July 1, 2017 and continuing each year until June 30, 2022, \$18,000,000 per year

10.1.5 Beginning on July 1, 2022 and continuing each year until June 30, 2023, \$17,000,000 per year;

10.1.6 Beginning on July 1, 2023 and continuing each year until June 30, 2027, \$16,000,000 per year; and

10.1.7 Beginning on July 1, 2027 and continuing each year until June 30, 2028, \$14,000,000 per year.

10.1.8 Beginning on July 1, 2028 and continuing each year until the Termination Date, \$13,000,000 per year.

10.2 Status Discussions. Within 90 days following March 1, 2022, the City and the Arena Manager will meet in good faith to discuss the subject matter of this Agreement.

10.2.1 Neither party is under any obligation to take any action in response to, or as a consequence of, such meeting, and this Agreement shall remain unchanged, in full force and effect and binding upon the parties, notwithstanding and irrespective of the results of such meeting.

10.2.2 If, during such meeting, the Arena Manager requests that the City modify this Agreement or any of the other transactions contemplated by this Agreement, and such a request is tentatively approved by the City's staff (acting in its sole discretion), the City's staff will then present the Arena Manager's request to the Glendale City Council for formal consideration in compliance with all applicable notice and public meeting requirements.

10.2.3 The Glendale City Council may in its sole discretion approve, modify, or reject any Arena Manager request; and, to the extent this Agreement remains unchanged, this Agreement, the Related Agreements, and all other agreements, if any, between the parties will continue in full force and effect for the remainder of the Term.

10.3 Taxation of Transactions and Activities at Arena. The parties acknowledge and agree that transactions and activities at the Arena Facility (including without limitation Arena Manager revenues described in Sections 8.2.1(d) and 8.5.2) (i) are, and shall continue during the Term to be, subject to taxes of uniform application throughout the City, (ii) will be subject to such uniform, City-wide taxes as apply to retail and entertainment activities conducted in the City, and (iii) will be subject to future changes in the tax rates that apply throughout the City.

11. CAPITAL IMPROVEMENTS.

11.1 Arena Manager's Obligation. The Arena Manager shall, in addition to the Arena Manager's obligation for on-going repair and maintenance of the Arena Facility, have the obligation to make necessary and prudent Capital Improvements to the Arena Facility in accordance with this Section, provided however, that the Arena Manager's obligation to undertake and complete Capital Improvement projects under this Section is limited by the availability of funds in the Renewal and Replacement Account or, in the event funds are not available in the Renewal and Replacement Account, additional assured funding provided by the City.

11.2 Renewal and Replacement Schedule. The current Renewal and Replacement Schedule for the Arena is attached hereto as Exhibit “L” and reflects project capital expenditures (but not routine repair and maintenance which remains the obligation of the Arena Manager) that are anticipated for the Arena Facility.

11.2.1 The City and Arena Manager shall meet and confer within the first six months following the Closing Date to make any adjustments to the Renewal and Replacement Schedule that the parties mutual agree to be necessary or reasonable prudent and advisable.

11.2.2 In the event the City and Arena Manager cannot agree upon adjustments, if any, to the Renewal and Replacement Schedules that are necessary or reasonable prudent and advisable, the dispute will be submitted to Arbitration in accordance with this Agreement.

11.3 Funding of Capital Improvements. In order to fund the Renewal and Replacement Schedule, the City shall appropriate the following amounts (collectively, the “**Capital Improvement Contributions**”), which shall be paid into and held in the Renewal and Replacement Account on the first day of the applicable Fiscal Year (and for the first year of the Term, on the Closing Date):

11.3.1 \$500,000 during each year of the Term; and

11.3.2 An additional \$500,000 during each Fiscal Year beginning July 1, 2020 and ending June 30, 2024.

11.3.3 Any portion of the Capital Improvement Contribution made in a given Fiscal Year that is not utilized for Capital Improvement Expenditures in such Fiscal Year shall be retained in the Renewal and Replacement Account and may be utilized by the Arena Manager for Capital Improvement Expenditures in subsequent Fiscal Years. Such unused Capital Improvement Contribution shall not be credited towards the Capital Improvement Contribution for any subsequent Fiscal Year.

11.4 Budgeting for Capital Improvements. The Arena Manager shall in each Annual Budget identify all Capital Improvement expenditures (“**Capital Improvement Expenditures**”), including those that will require Capital Improvement Contributions, that are: (a) necessary to comply with mandatory governmental requirements; (b) necessary or appropriate for the safe operation of the Arena Facility or its maintenance or repair; (c) required by any License, Concessions Agreement, Suite License Agreement or Premium Seat Agreement (it being understood that these Capital Improvement Expenditures shall not be an expense chargeable to the City); or (d) in the Arena Manager’s reasonable opinion, will improve the Arena Facility, increase Operating Revenues or reduce Operating Expenses or which are reasonably expected to ensure the economic competitiveness of the Arena Facility. Upon installation, any modifications or installations funded by the Capital Improvement Contributions shall become a part of the Arena Facility and the property of the City.

11.5 Renewal and Replacement Account.

11.5.1 The Arena Manager shall, prior to the Closing Date, establish and maintain the Renewal and Replacement Account which shall at all times remain the property of the City until disbursed in accordance with this Section.

(a) Interest earned on the Renewal and Replacement Account shall not be Operating Revenues and shall be considered part of the Renewal and Replacement Account.

(b) Monies shall be disbursed from the Renewal and Replacement Account for Capital Improvement Expenditures pursuant to the provisions of this Agreement.

(c) The City shall take such actions as are required to cause such disbursements to be made as and when required by the provisions of this Agreement.

(d) The amounts on deposit in the Renewal and Replacement Account pursuant to this Section shall not be Operating Revenues.

(e) The City shall appropriate Capital Improvements Contributions subject to and in accordance with the City's capital improvements budget process.

11.6 Emergencies. In the event of an Emergency:

11.6.1 The Arena Manager shall make the repairs necessary to alleviate such Emergency, in which event the Arena Manager shall pay for or be reimbursed for the cost of the work from the Renewal and Replacement Account or such other City funds that may be legally expended. Such payment or reimbursement shall be made to the Arena Manager within seven business days from the Arena Manager's submission of appropriate documentation.

11.6.2 The City and the Arena Manager will meet immediately to determine the extent of the work necessary and the funding for such work.

11.6.3 The Arena Manager shall comply with all of the governmental requirements pertaining to the work performed.

11.6.4 The Arena Manager may use monies from any Arena Account (other than the Renewal and Replacement Account) to pay for Capital Improvement Expenditures in the event of an Emergency requiring Capital Improvements.

11.7 City Rights.

11.7.1 The City shall have the right, without the prior consent of the Team Owner, but with the prior consent of the Arena Manager, to make Capital Improvements or other repairs to the Arena Facility (other than the Exclusive Team Spaces) using the Renewal and Replacement Account if the Capital Improvements or other repairs are in the City's estimation reasonable and necessary and improve the structural integrity of the Arena Facility and do not fundamentally alter the character or suitability of the Arena Facility for use as a multi-purpose arena facility in compliance with all applicable NHL requirements and Applicable Law, and are done in a manner as to not unreasonably interfere with the operation of the Arena Facility.

11.7.2 The City shall provide the Arena Manager with not less than 30-day notice of, and a schedule for, any such Capital Improvements or other repairs.

11.7.3 All work shall be performed pursuant to a schedule reasonably approved in advance by Arena Manager to minimize any interference with operations of the Arena Facility. The location of any staging area shall be subject to approval by Arena Manager, which shall not be unreasonably withheld, conditioned or delayed.

11.7.4 The City's design and construction contractors and subcontractors shall comply with reasonable security and identification procedures established by Arena Manager for access to the Arena.

11.7.5 The City will prevent any type of encumbrance, security interest, pledge, claim, mechanics' or other lien arising out of work performed for, materials furnished to, or obligations incurred by the City in the construction of any permitted Capital Improvements or repairs and will cause any such encumbrance, security interest, pledge, claim, mechanics' or other lien to be removed or bonded over within 15 days after receipt of notice thereof.

11.7.6 Upon installation, any such Capital Improvement shall become a part of the Arena Facility and the property of the City, subject to the Arena Manager's and the Team's rights under this Agreement.

11.7.7 The City shall maintain and require all contractors and subcontractors to maintain insurance and bond coverages during construction as described on Exhibit "H".

11.7.8 The City shall defend, indemnify and hold the Arena Manager and Arena Sub-Manager, and their agents, employees, officials and other representatives harmless for, from and against any Claim or Loss that arises from or relates to the performance of such Capital Improvements or repairs by or on behalf of the City in accordance with Section 20.1. Any and all costs and expenses incurred by the Arena Manager to discharge its obligations under this Section shall be included as Operating Expenses.

11.8 Exclusive Team Spaces. The Team Owner may have the right to make, or cause to be made, certain nonstructural alterations, installations, decorations, additions and improvements to the Exclusive Team Spaces, provided that all such alterations, installations, decorations, additions and improvements, including the preparation of plans, specifications and engineering reports therefore, shall be done solely at the Team Owner's expense, in a good and workmanlike manner, shall not weaken or impair the structural integrity of the Arena Facility or fundamentally alter the character or suitability of the Arena Facility for use as a multipurpose arena facility, shall be in compliance with all applicable NHL requirements and Applicable Law and shall be done in a manner as to not unreasonably interfere with the operation of the Arena Facility.

11.9 Non-Budgeted Capital Improvements.

11.9.1 In addition to the Capital Improvements detailed in the Renewal and Replacement Schedule and approved in the Annual Budget, the Arena Manager shall further have the right to make Capital Improvements if necessary to comply with governmental requirements appropriate for the safe operation of the Arena Facility or its maintenance or repair.

11.9.2 The Arena Manager may give notice to the City that it intends to make Capital Improvement Expenditures that were not authorized in the Annual Budget and, in the Arena Manager's reasonable opinion, will improve the Arena Facility, increase Operating Revenues or reduce Operating Expenses or which are reasonably expected to ensure the economic competitiveness of the Arena Facility. If the City does not object within 30 days, the Arena Manager may make the Capital Improvement Expenditure from any available and non-allocated funds in the Renewal and Replacement Account. If the City objects within 30 days, the matter will be submitted to Arbitration as provided for in this Agreement. The City may only object after 30 days if it finds that the proposed Capital

Improvement would violate Applicable Law, in which case the Arena Manager may cease making the Capital Improvement, or the matter shall be submitted to Arbitration as provided for in this Agreement. In any event, the Arena Manager may undertake any Capital Improvement at its sole expense.

11.9.3 For the avoidance of doubt, no decision by the Arbitrator with respect to a matter described in this Section 11.9 shall require the City to deposit funds in the Renewal and Replacement Account other than as required in Section 11.3, as it may be amended from time to time.

11.10 Ownership of the Capital Improvements. Upon installation, any capital improvement shall become a part of the Arena Facility and the property of the City, subject to the Arena Manager's or the Team Owner's rights under this Agreement.

11.11 Compliance with City Code. Nothing in this Agreement with respect to any work performed on the Arena Facility by the Arena Manager or the Team Owner limits, restricts, or waives any requirement of law with respect to construction on public buildings or limits, restricts, or waives the City's building safety requirements, including, but not limited to, permitting, inspections, and plan review.

11.12 Arena Manager or Team Owner Caused Lien.

11.12.1 The Arena Manager and the Team Owner shall, prior to any work being performed, inform any entity performing work on the Arena Facility that the Arena Facility is a public facility and that Arizona law prohibits any lien being placed against the Arena Facility.

11.12.2 The Arena Manager or the Team Owner will prevent any type of encumbrance, security interest, pledge, claim, mechanics' or other lien arising out of work performed for, materials furnished to, or obligations incurred by the Arena Manager or Team Owner in the construction of any permitted Capital Improvements or other alterations, installations, decorations, additions and improvements and will immediately cause any such encumbrance, security interest, pledge, claim, mechanics' or other lien to be removed.

12. LENDER'S PROTECTION.

12.1 Team Owner Lender's Protection.

12.1.1 City Estoppel Certificates for Team Owner. The City shall from time to time, within 15 Business Days after receipt from the Team Owner of a request, deliver to the Team Owner (or to such other party as the Team Owner may designate in such request, including any lender providing or considering providing financing to the Team Owner), a certificate, signed by the City Representative designated in accordance with Section 2.1, stating, as of the date of such certificate: (i) whether this Agreement is in full force and effect; (ii) whether this Agreement has been amended and, if so, the date and substance of each such amendment; (iii) whether, to the City Representative's knowledge after reasonable inquiry, there exists (or with the passage of time and the giving of notice there will exist) any Team Owner Default and, if so, the nature of such Team Owner Default; and (iv) such other information pertaining to this Agreement and then available to the public as the Team Owner may reasonably request in such request. The Team Owner may give any such certificate to, and any such certificate may be relied upon by, the Person to whom it is addressed.

12.1.2 Arena Manager Estoppel Certificates for Team Owner. The Arena Manager shall from time to time, within 15 Business Days after receipt from the Team Owner of a request, deliver to the Team Owner (or to such other party as the Team Owner may designate in such request, including any lender providing or considering providing financing to the Team Owner), a certificate, signed by the Arena Manager Representative designated in accordance with Section 2.2, stating, as of the date of such certificate: (i) whether this Agreement is in full force and effect; (ii) whether this Agreement has been amended and, if so, the date and substance of each such amendment; (iii) whether, to the Arena Manager Representative's knowledge after reasonable inquiry, there exists (or with the passage of time and the giving of notice there will exist) any Team Owner Default by the Team Owner and, if so, the nature of the Team Owner Default; and (iv) such other information pertaining to this Agreement and then available to the public as the Team Owner may reasonably request in such request. The Team Owner may give any such certificate to, and any such certificate may be relied upon by, the Person to whom it is addressed.

12.1.3 Assignment of Team Owner Rights. Subject to the terms and conditions of the Noncompetition/Non-Relocation Agreement, the Team Owner shall have the right, without any additional consent or approval of the other parties, to assign, pledge, transfer or sell to any lender providing financing to the Team Owner or any of its Affiliates, as security for such financing, the rights of the Team Owner under this Agreement, provided that, if applicable, the NHL has approved or consented to such assignment.

(a) The Team Owner shall, not later than 30 days after such assignment becomes effective, give the other parties notice (the "**Notice of Team Owner Assignment**") of such assignment, and the Notice of Team Owner Assignment shall include the name and address of the Team Owner Assignee.

(b) Each of the other parties agrees to, upon request from the Team Owner or the Team Owner Assignee, deliver to the Team Owner Assignee an acknowledgement, executed by the City Representative and the Arena Manager Representative of receipt of a given Notice of Team Owner Assignment; provided however, nothing in this Section shall alter, amend, reduce or excuse the Team Owner from performing the Team Owner's obligations under this Agreement.

(c) Following receipt of a Notice of Team Owner Assignment, none of the City and the Arena Manager shall enter into or consent to any amendment, waiver, modification or termination of this Agreement by agreement of the parties hereto without the prior consent of the Team Owner Assignee named in such Notice of Team Owner Assignment.

(d) The Team Owner hereby authorizes and directs each of the other parties, following such other party's receipt of (i) a Notice of Team Owner Assignment; (ii) the Team Owner Assignee's notice of a default by the Team Owner under the terms and conditions of the financing secured by the assignment described in such Notice of Team Owner Assignment; and (iii) the Team Owner Assignee's request for payment, to make any payments to be made by such other party to the Team Owner under this Agreement directly to the Team Owner Assignee. No such other party shall have any obligation to verify or investigate the existence of any claimed default described in the Team Owner Assignee's notice.

12.1.4 Notices to Team Owner Assignee. Following receipt from the Team Owner of a Notice of Team Owner Assignment, each of the other parties shall, contemporaneously with giving any notice to the Team Owner under this Agreement, send a copy of such notice to the Team Owner Assignee

named in such Notice of Team Owner Assignment and addressed to such Team Owner Assignee at the address of such Team Owner Assignee set forth in such Notice of Team Owner Assignment.

12.1.5 Team Owner Assignee's Right to Cure Team Owner Default. Following the receipt by a party hereto (other than the Team Owner) from the Team Owner of a Notice of Team Owner Assignment, the Team Owner Assignee named therein shall have the right, but not the obligation, to cure any Team Owner Default, whether then existing or thereafter arising.

(a) No such party shall exercise any remedy under this Agreement or otherwise with respect to any such Team Owner Default until at least 60 days after such party has given such Team Owner Assignee notice of the Team Owner Default and the Team Owner Assignee's right to cure the Team Owner Default; provided, however, that if such Team Owner Assignee commences such a cure within such 60 day period, such party shall not exercise any such remedy with respect to the Team Owner Default so long as such Team Owner Assignee is diligently pursuing such cure.

(b) If a Team Owner Assignee succeeds to the interest of the Team Owner under this Agreement, such Team Owner Assignee shall not be (i) bound by any amendment, modification or termination of this Agreement by agreement of the parties hereto (entered into after the date on which the Notice of Team Owner Assignment was given) made without such Team Owner Assignee's written consent, or (ii) bound by, or liable for the cure of, any failure by the Team Owner to perform any obligation under this Agreement that arose prior to the date on which such Team Owner Assignee succeeded to the interest of the Team Owner under this Agreement (except to the extent such obligation continues after the date on which such Team Owner Assignee succeeded to the interest of the Team Owner under this Agreement).

12.2 Arena Manager Lender's Protection.

12.2.1 City Estoppel Certificates for Arena Manager. The City shall from time to time, within 15 Business Days after receipt from the Arena Manager of a request, deliver to the Arena Manager (or to such other party as the Arena Manager may designate in such request, including any lender providing or considering providing financing to the Arena Manager), a certificate, signed by the City Representative designated in accordance with Section 2.1 stating, as of the date of such certificate: (i) whether this Agreement is in full force and effect; (ii) whether this Agreement has been amended and, if so, the date and substance of each such amendment; (iii) whether, to the City Representative's knowledge after reasonable inquiry, there exists (or with the passage of time and the giving of notice there will exist) any Arena Manager Default and, if so, the nature of the Arena Manager Default; and (iv) such other information pertaining to this Agreement and then available to the public as the Arena Manager may reasonably request in such request. The Arena Manager may give any such certificate to, and any such certificate may be relied upon by, the Person to whom it is addressed.

12.2.2 Team Owner Estoppel Certificates for Arena Manager. The Team Owner shall from time to time, within 15 Business Days after receipt from the Arena Manager of a request, deliver to the Arena Manager (or to such other party as the Arena Manager may designate in such request, including any lender providing or considering providing financing to the Arena Manager), a certificate, signed by the Team Owner Representative designated in accordance with Section 2.3 stating, as of the date of such certificate: (i) whether this Agreement is in full force and effect; (ii) whether this Agreement has been amended and, if so, the date and substance of each such amendment; (iii) whether, to the Team Owner Representative's knowledge after reasonable inquiry, there exists (or with the passage of time and the giving of notice there will exist) any Arena Manager Default and, if so, the nature of the Arena Manager

Default; and (iv) such other information pertaining to this Agreement and then available to the public as the Arena Manager may reasonably request in such request. The Arena Manager may give any such certificate to, and any such certificate may be relied upon by, the Person to whom it is addressed.

12.3 Subordination to City Encumbrance. The rights of each of the Arena Manager and the Team Owner under this Agreement shall, at the City's option, be made subordinate to any City Encumbrance. For purposes of this Section, "**City Encumbrance**" shall mean means any ground or other lease, mortgage, deed of trust or other hypothecation for security placed on all or any portion of the City's interest in the Arena Facility, and all advances thereunder, all renewals, modifications, consolidations, replacements and extensions thereof.

12.3.1 Such subordination shall be effective only if the holder of the City Encumbrance agrees, by written subordination, non-disturbance and attornment agreement in form and with substance reasonably satisfactory to the Arena Manager and the Team Owner to be bound by this Agreement and to recognize and not disturb the rights of the Arena Manager or the Team Owner, (or the rights of other users of the Arena Facility) under this Agreement.

12.3.2 The Team Owner and the Arena Manager shall, within a reasonable time after the City's request, execute any agreement reasonably required to implement or evidence the subordination of this Agreement in the manner described in this Section.

12.3.3 If the holder of any City Encumbrance desires that this Agreement have priority over the lien of such City Encumbrance, such holder shall give notice of such priority to the Arena Manager and the Team Owner and this Agreement shall thereafter be deemed to have priority over such lien.

13. INSURANCE.

13.1 Arena Manager Insurance. The Arena Manager shall, as an Operating Expense and during the Term, obtain and cause to be maintained in full force and effect, the insurance and bond coverages described in Exhibit "H" attached hereto.

13.2 City Insurance. The City shall, at the City's expense and during the Term, obtain and cause to be maintained in full force and effect, the insurance coverages or self-insurance arrangements described in Exhibit "I" attached hereto.

13.3 Team Owner Insurance. The Team Owner shall, at the Team Owner's expense and during the Term, obtain and cause to be maintained in full force and effect, the insurance coverages described in Exhibit "J" attached hereto.

13.4 Waiver of Recovery. Notwithstanding any provision to the contrary in this Agreement, no party shall be liable to any other party to this Agreement, or to any insurance company (by way of subrogation or otherwise) insuring any other party to this Agreement, for any Claim or Loss, even though such Claim or Loss might have been occasioned by the responsible party's negligence, or the negligence of its agents or employees, if and to the extent such Claim or Loss is covered by insurance benefiting the party suffering such Claim or Loss or against whom such Claim or Loss is made.

13.5 Failure to Maintain Insurance.

13.5.1 Arena Manager Failure. If the Arena Manager fails or refuses to procure or maintain the required insurance, after notice by the City or the Team Owner to the Arena Manager of such failure, the City or the Team Owner shall have the right, but not the obligation, to procure and maintain such insurance, and any reasonable premium paid by the City or the Team Owner, plus interest thereon at the Interest Rate computed from the date such premium is paid, shall be due and payable and reimbursed by the Arena Manager to the City or the Team Owner as an Operating Expense, on the first day of the month following the date on which the City or the Team Owner provides to the Arena Manager written evidence of payment of such premium.

13.5.2 City Failure. If the City fails or refuses to procure or maintain the required insurance or maintain an appropriate self-insurance retention, the Arena Manager shall have the right, but not the obligation, to seek equitable relief from a court of competent jurisdiction mandating the required insurance be procured or an appropriate self-insurance retention be established.

13.5.3 Team Owner Failure. If the Team Owner fails or refuses to procure or maintain the required insurance, after notice by the Arena Manager or the City to the Team Owner of such failure, the Arena Manager or the City shall have the right but not the obligation to procure and maintain insurance, in which event, any reasonable premium paid by the Arena Manager or the City, plus interest thereon at the Interest Rate computed from the date such premium is paid, shall:

(a) If paid by the Arena Manager, be an Operating Expense, and (i) the Arena Manager shall make a demand on the Team Owner for reimbursement of such payment by the Team Owner to the Arena Manager; (ii) the Team Owner shall make such reimbursement to the Arena Manager; and (iii) the Arena Manager shall deposit such reimbursement in the Operating Account and include such amount in Operating Revenues; or

(b) If paid by the City be reimbursed by the Arena Manager to the City as an Operating Expense on demand by the City accompanied by evidence of payment of such premium, after which (i) the Arena Manager shall make a demand on the Team Owner for reimbursement of such payment by the Team Owner to the Arena Manager; (ii) the Team Owner shall make such reimbursement to the Arena Manager; and (iii) the Arena Manager shall deposit such reimbursement in the Operating Account and include such amount in Operating Revenues.

13.6 Notice. A party procuring insurance on behalf of another party as a result of the failure of the other party shall promptly give notice of such procurement to each other party hereto.

13.7 Provisions.

13.7.1 All insurance required hereby shall be by valid and enforceable policies issued by insurance companies rated not lower than A-VII in Best's Rating Guide (most current edition) and authorized to do business in Arizona.

13.7.2 Each such policy of insurance obtained by a party hereto shall be endorsed: (a) to provide that the coverage shall not be invalid due to any act or omission of any other party hereto or its agents or employees; (b) except for worker's compensation, to name each other party hereto as an additional insured; (c) to be primary as to any insurance maintained by each other party hereto, so that the latter shall be excess and not contributory to insurance provided by the insuring party; and (d) to provide

that the waiver of subrogation set forth above shall not invalidate or have any adverse effect on such insurance policy or liability of the insurer under such policy.

13.7.3 The insurance companies issuing such policy shall agree to notify each other party hereto in writing of any cancellation, alteration or nonrenewal of such policy at least 30 days prior thereto.

13.7.4 Within 30 days before the Closing Date and thereafter before a policy period expires, each party required to obtain insurance hereunder shall deliver to each other party hereto certificates evidencing the insurance coverage required of the delivering party and consenting to the waiver of subrogation as herein provided.

13.8 Periodic Review and Adjustment.

13.8.1 The parties agree that the insurance required by this Section shall be subject to adjustment from time to time at the reasonable request of the Arena Manager, the Team Owner or the City so as to be in such amounts as are customarily provided with respect to comparable multi-purpose sports and entertainment arena facilities.

13.8.2 Further, regardless of whether any such requests have been made, the parties shall in good faith review the insurance coverages required by this Section no less frequently than every three years during the Term, with such reviews to be conducted concurrently with the preparation and review of the Annual Budget.

14. DAMAGE OR DESTRUCTION.

14.1 Terms: For the purposes of this Section, the following terms shall have the meanings set forth below:

14.1.1 **“Insurance Proceeds”** means all monies paid by an insurer under a casualty insurance policy as a result of a casualty event, the money paid from a party responsible for the casualty, and any money paid directly by a party required under this Agreement to maintain insurance and failed to do so.

14.1.2 **“Casualty Deficiency”** means the amount of the difference between (i) the cost to restore the Arena Facility to the Casualty Restoration Standard in the event of damage or destruction, and (ii) the amount available in the Renewal and Replacement Account, after deposit of all available insurance proceeds.

14.1.3 **“Casualty Restoration Standard”** means a condition as nearly the same as the condition of the Arena Facility immediately prior to an event of damage or destruction as is reasonably possible and which is in compliance with all applicable NHL requirements and Applicable Law.

14.2 Adequately Insured Damage. If, on or after the Closing Date, any portion of the Arena Facility is damaged or destroyed, and such damage or destruction is covered by a casualty insurance policy maintained hereunder, Insurance Proceeds, which for the purposes of this Section refers to all insurance proceeds paid (or to be paid) under such casualty insurance policy, shall be deposited into the Renewal and Replacement Account.

14.2.1 If the Insurance Proceeds are, in the reasonable estimation of the Arena Manager (which estimation is reasonably approved by the City), sufficient to restore the damaged or destroyed portion of the Arena Facility to the Casualty Restoration Standard, such Insurance Proceeds shall be disbursed from the Renewal and Replacement Account to pay the costs of such restoration in accordance with the Casualty Restoration Standard as soon as is reasonably possible. In such event, this Agreement and the Noncompetition/Non-Relocation Agreement shall continue in full force and effect.

14.2.2 Any Insurance Proceeds remaining after the payment of the costs of such restoration in accordance with the Casualty Restoration Standard shall be deposited in the Renewal and Replacement Account.

14.3 Insurance Deficiency and Termination. If, on or after the Closing Date, any portion of the Arena Facility is damaged or destroyed, and such damage or destruction is not covered by a casualty insurance policy maintained hereunder or, if so covered, the Insurance Proceeds are insufficient, in the reasonable estimation of the Arena Manager, to pay the costs of restoration of such damage or destruction in accordance with the Casualty Restoration Standard, and if there are amount in the Renewal and Replacement Account other than the Insurance Proceeds deposited pursuant to Section 11, in an amount sufficient, in the reasonable estimation of the Arena Manager, to pay the costs of such restoration that exceed the Insurance Proceeds, the Insurance Proceeds and such amount in the Renewal and Replacement Account shall be disbursed to pay the costs of such restoration in accordance with the Casualty Restoration Standard as soon as is reasonably possible. In such event, this Agreement and the Noncompetition/Non-Relocation Agreement shall continue in full force and effect.

14.3.1 If the amount in the Renewal and Replacement Account (after the deposit of the Insurance Proceeds) are insufficient to pay the costs of such restoration, then, within 90 days after the date such damage or destruction occurred, the Arena Manager shall give the other parties notice of the Casualty Deficiency, and the Arena Manager shall, within 30 days after providing such notice, give notice to the other parties that either (i) the Arena Manager will provide, within 30 days after providing such notice, additional monies in the amount of the Casualty Deficiency, or (ii) the Arena Manager intends to terminate this Agreement and the Noncompetition/Non-Relocation Agreement.

14.3.2 If the Arena Manager gives notice that the Arena Manager will provide the amount of the Casualty Deficiency, the Arena Manager shall provide such amount within such thirty-day period. The Arena Manager shall deposit such amount, and the monies shall be disbursed to pay the costs of such restoration in accordance with the Casualty Restoration Standard as soon as is reasonably possible. In such event, this Agreement and the Noncompetition/Non-Relocation Agreement shall continue in full force and effect. The Arena Manager shall be reimbursed from amounts in the Renewal and Reimbursement Account for the amounts provided pursuant to this Section (plus interest at the Interest Rate from the date of provision to the date of reimbursement), as monies become available.

14.3.3 If the Arena Manager gives notice of the Arena Manager's intent to so terminate this Agreement and the Noncompetition/Non-Relocation Agreement, the City shall have the right (within 30 days after the City's receipt of the Arena Manager's notice) to give notice to the other parties of the City's intent to pay the amount of the Casualty Deficiency, in which event, the City shall deliver, within 30 days after the date of the City's notice, the amount of the Casualty Deficiency to the Arena Manager for deposit. Upon such deposit, the Arena Manager's notice of the Arena Manager's intent to terminate shall be deemed rescinded and void, and monies so deposited shall be disbursed to pay the costs of such restoration in accordance with the Casualty Restoration Standard as soon as is reasonably possible. In

such event, this Agreement and the Noncompetition/Non-Relocation Agreement shall continue in full force and effect.

14.3.4 If the City does not give such notice of the City's intent to pay the Casualty Deficiency amount within 30 days after the City's receipt of the Arena Manager's notice of the Arena Manager's intent to terminate, or does not deliver the Casualty Deficiency amount to the Arena Manager within the thirty-day period for delivery described above, then the Arena Manager shall, within 15 days after the expiration of the applicable thirty-day period, give notice to the other parties that either (i) the Arena Manager will provide, within 30 days thereafter, additional monies in the amount of the Casualty Deficiency, or (ii) this Agreement and the Noncompetition/Non-Relocation Agreement shall be terminated.

14.3.5 If the Arena Manager gives notice that this Agreement and the Noncompetition/Non-Relocation Agreement shall be terminated, then this Agreement and the Noncompetition/Non-Relocation Agreement shall, without further action or notice by any party hereto, terminate, and the Insurance Proceeds, if any, shall be distributed to the Arena Manager.

14.4 Damage or Destruction Near End of Term. If, during the last two Fiscal Years of the Term, the Arena Facility or any portion thereof is destroyed or damaged to the extent that restoration to the Casualty Restoration Standard will, in the Arena Manager's or the City's reasonable estimation, not be completed prior to the commencement of the last Hockey Season during the Term, then the Arena Manager or the City shall have the right to terminate this Agreement and the Noncompetition/Non-Relocation Agreement by giving notice of such termination to the other parties, and the Insurance Proceeds, if any, shall be distributed to the City.

14.5 Abatement of Certain Team Owner Obligations. If the damage or destruction of the Arena Facility or any portion thereof, or the restoration of such damage or destruction to the Casualty Restoration Standard, prevents or materially interferes with the playing of Home Games at the Arena Facility (including by reason of the inadequacy of parking), then, until the Arena Facility has been restored to the Casualty Restoration Standard, the Team Owner shall not be required pursuant to the Noncompetition/Non-Relocation Agreement to play Home Games at the Arena Facility.

15. EMINENT DOMAIN.

15.1 Terms. For the purposes of this Section, the following terms shall have the meanings set forth below:

15.1.1 **"Condemnation Award"** means the payment or other award to be paid by the condemnor attributable to the value of the Arena Facility.

15.1.2 **"Condemnation Deficiency"** means the amount of the difference between (i) the cost to restore the Arena Facility in the event of condemnation, and (ii) the amount available in the Renewal and Replacement Account, after deposit of all available insurance proceeds.

15.1.3 **"Condemnation Restoration Standard"** means a condition as nearly the same as the condition of the Arena Facility immediately prior to an event of damage or destruction as is reasonably possible and which is in compliance with all applicable NHL requirements and Applicable Law.

15.2 Substantial Taking. If during the Term the Arena Facility is subject to a Taking, and the Taking is a Substantial Taking, the Arena Manager shall have the right, at its option exercisable at any time within 90 days after the date of the Taking to terminate this Agreement and the Noncompetition/Non-Relocation Agreement by notice of termination given by the Arena Manager to the other parties. The Condemnation Award shall be paid to the parties as their interests may appear.

15.3 Partial Taking.

15.3.1 If during the Term the Arena Facility is the subject of a Taking that is not a Substantial Taking, or if a Substantial Taking occurs but this Agreement and the Noncompetition/Non-Relocation Agreement are not terminated and the Condemnation Award is, in the reasonable estimation of the Arena Manager (which estimation is reasonably approved by the City), sufficient to restore the remainder of the Arena Facility to the Condemnation Restoration Standard, such Condemnation Award shall be deposited in an account specified by Arena Manager. In such event, the Condemnation Award shall be disbursed from said account to pay the costs of such restoration in accordance with the Condemnation Restoration Standard, as soon as is reasonably possible and this Agreement and the Noncompetition/Non-Relocation Agreement shall continue in full force and effect.

15.3.2 If during the Term (a) the Arena Facility is the subject of a Taking that is not a Substantial Taking; (b) the Condemnation Award is, in the reasonable estimation of the Arena Manager (which estimation is reasonably approved by the City), insufficient to pay the costs of restoration of the Arena Facility to the Condemnation Restoration Standard; and (c) monies received under Sections 15.3.4 and 15.3.5 below (together with the Condemnation Award), are sufficient in the reasonable estimation of the Arena Manager (which estimation is reasonably approved by the City) to pay the amount by which the costs of such restoration exceed the Condemnation Award, the Condemnation Award and such monies shall be disbursed from the account into the foregoing account to pay the costs of such restoration in accordance with the Condemnation Restoration Standard as soon as is reasonably possible. In such event, this Agreement and the Noncompetition/Non-Relocation Agreement shall continue in full force and effect.

15.3.3 If the monies in the account specified by Arena Manager (after the deposit of the Condemnation Award therein), are insufficient to pay the costs of such restoration, then, within 90 days after the date of the Taking, the Arena Manager shall give the Team Owner and the City notice of the Condemnation Deficiency, and the Arena Manager shall elect to either (i) provide, within 30 days after providing such notice, additional monies in the amount of the Condemnation Deficiency, or (ii) terminate this Agreement and the Noncompetition/Non-Relocation Agreement by notice of termination to the other parties.

15.3.4 If the Arena Manager elects to provide the amount of the Condemnation Deficiency, the Arena Manager shall deposit such amount in the account specified by Arena Manager, and monies shall be disbursed from said account to pay the costs of such restoration in accordance with the Condemnation Restoration Standard as soon as is reasonably possible. In such event, this Agreement and the Noncompetition/Non-Relocation Agreement shall continue in full force and effect. The Arena Manager shall be reimbursed for the amount provided to the Arena Manager pursuant to this Section (plus interest at the Interest Rate from the date of provision to the date of reimbursement) from the specified account, as monies become available from such account.

15.3.5 If the Arena Manager is entitled to and does elect to so terminate this Agreement and the Noncompetition/Non-Relocation Agreement, the City shall have the right (within 30 days after

the City's receipt of notice of the Arena Manager's election to so terminate) to give notice to the other parties of the City's intent to pay the amount of the Condemnation Deficiency, in which event the City shall deliver, within 30 days after the date of the City's notice, the amount of the Condemnation Deficiency to the Arena Manager for deposit into the Arena Manager's specified account. Upon such deposit, the Arena Manager's election to terminate shall be deemed rescinded and void, and monies shall be disbursed from such account to pay the costs of such restoration in accordance with the Condemnation Restoration Standard as soon as is reasonably possible. In such event, this Agreement and the Noncompetition/Non-Relocation Agreement shall continue in full force and effect.

15.3.6 If the City does not give such notice to the City's intent to pay the Condemnation Deficiency amount within 30 days after the City's receipt of the Arena Manager's notice of election to terminate, or does not deliver the Condemnation Deficiency amount to the Arena Manager within the thirty-day period for delivery described above, this Agreement and the Noncompetition/Non-Relocation Agreement shall be terminated at the expiration of the applicable thirty-day period, and the Condemnation Award shall be paid to the parties as their interests may appear.

15.4 Partial Taking Near End of Term. If the Arena Facility is the subject of a Taking during the last two Fiscal Years of the Term that is not a Substantial Taking, and restoration of the Arena Facility to the Condemnation Restoration Standard will, in the Arena Manager's reasonable estimation, not be completed prior to the commencement of the last Hockey Season during the Term, then the Arena Manager shall have the right to terminate this Agreement and the Noncompetition/Non-Relocation Agreement by giving notice of such termination to the other parties, and the Condemnation Award shall be paid to the parties as their interest may appear.

15.5 Abatement of Certain Team Owner Obligations. If a Taking, or the restoration of the Arena Facility to the Condemnation Restoration Standard, prevents or materially interferes with the playing of Home Games at the Arena Facility (including by reason of the inadequacy of parking), then, until the Arena Facility has been restored to the Condemnation Restoration Standard, the Team Owner shall not be required pursuant to the Noncompetition/Non-Relocation Agreement to play Home Games at the Arena Facility.

15.6 No Condemnation by City. Notwithstanding the foregoing, or any other provision of this Agreement, the City covenants, warrants, represents and agrees that it shall not, at any time during the Term, initiate, engage in, undertake, attempt or pursue, either singly or in combination with any other governmental entity(ies), a condemnation proceeding by right of eminent domain with respect to any portion of the Arena Facility, except for Takings that are for the purpose of acquiring additional right-of-way or utility easements and that do not involve a Substantial Taking.

16. REPRESENTATIONS, WARRANTIES AND COVENANTS.

All covenants, representations and warranties contained in this Agreement shall survive the execution and delivery of this Agreement and the Closing. No action taken pursuant to or related to this Agreement shall be deemed to constitute a waiver by the party taking such action of compliance with any representation, warranty, condition or agreement herein.

16.1 Arena Manager Representations and Warranties. The Arena Manager represents and warrants to the other parties that, as of the Effective Date and the Closing Date:

16.1.1 Organization: Authorization. The Arena Manager is a limited liability company, duly organized and validly existing under the laws of the State of Delaware; the Arena Manager has all requisite power and authority to enter into this Agreement; and the execution, delivery and consummation of this Agreement by the Arena Manager have been duly authorized.

16.1.2 No Violation. The execution, delivery and performance of this Agreement by the Arena Manager will not result in the breach of or constitute a default under any loan or credit agreement, or any other agreement, instrument, judgment or decree, to which the Arena Manager is a party or by which the Arena Manager or its assets may be bound or affected. All consents and approvals of any Person (including members of the Arena Manager) required in connection with the Arena Manager's execution, delivery and performance of this Agreement have been obtained.

16.1.3 Litigation. Other than as disclosed by the Arena Manager to the other parties, no suit is pending against the Arena Manager which could reasonably have a material adverse affect upon the Arena Manager's performance under this Agreement. There are no outstanding judgments against the Arena Manager which could reasonably have a material adverse affect upon the Arena Manager's performance under this Agreement.

16.1.4 No Conflicts. This Agreement is not prohibited by, and does not conflict with, any other agreement, judgment or decree to which the Arena Manager is a party or is otherwise subject.

16.1.5 No Violation of Laws. As of the Closing Date, the Arena Manager has received no notice asserting any noncompliance in any material respect by the Arena Manager with Applicable Law relating to the transactions contemplated hereby; and the Arena Manager is not in default with respect to any judgment, order, injunction or decree of any court, administrative agency or other Governmental Authority which is in any respect material to the transactions contemplated hereby.

16.2 Team Owner Representations and Warranties. The Team Owner represents and warrants to the other parties that, as of the Effective Date and the Closing Date:

16.2.1 Organization: Authorization. The Team Owner is a limited liability company, duly organized and validly existing under the laws of the State of Delaware, and is duly authorized to do business in Arizona; the Team Owner has all requisite power and authority to enter into this Agreement; and the execution, delivery and consummation of this Agreement by the Team Owner have been duly authorized.

16.2.2 No Violation. The execution, delivery and performance of this Agreement by the Team Owner will not violate the NHL Constitution or Bylaws or any written rule, regulation or policy of the NHL, or result in the breach of or constitute a default under any loan or credit agreement, or any other agreement, instrument, judgment or decree, to which the Team Owner is a party or by which the Team Owner or its assets may be bound or affected. All consents and approvals of any Person (including members of the Team Owner) required in connection with the Team Owner's execution, delivery and performance of this Agreement have been obtained.

16.2.3 Litigation. Other than as disclosed by the Team Owner to the other parties, no suit is pending against the Team Owner which could reasonably have a material adverse affect upon the Team Owner's performance under this Agreement. There are no outstanding judgments against the Team Owner which could reasonably have a material adverse affect upon the Team Owner's performance under this Agreement.

16.2.4 No Conflicts. This Agreement is not prohibited by, and does not conflict with, any other agreement, judgment or decree to which the Team Owner is a party or is otherwise subject.

16.2.5 No Violation of Laws. As of the Closing Date, the Team Owner has received no notice asserting any noncompliance in any material respect by the Team Owner with Applicable Law relating to the transactions contemplated hereby; and the Team Owner is not in default with respect to any judgment, order, injunction or decree of any court, administrative agency or other Governmental Authority which is in any respect material to the transactions contemplated hereby.

16.2.6 Team Ownership; NHL Good Standing. The Team Owner, concurrently with the closing of the NHL Purchase, shall be a member in good standing of the NHL, shall hold the Franchise and shall operate the Team.

16.3 City Representations and Warranties. The City represents and warrants to the other parties that, as of the Effective Date and the Closing Date:

16.3.1 Authority. The execution, delivery and performance of this Agreement by the City have been duly authorized by the Glendale City Council, and no additional or further act by any other Governmental Authority is required to authorize such execution, delivery and performance; provided however that the performance of certain obligations under this Agreement shall remain subject to approvals required under Applicable Law (such as the approval of annual budgets by the Glendale City Council for amounts to be paid hereunder); further provided that, for clarity, the failure of any such Governmental Authority to grant such approval shall not excuse nonperformance of any obligation of the City under this Agreement.

16.3.2 No Conflicts. This Agreement is not prohibited by, and does not conflict with, any other agreement, judgment or decree to which the City is a party or is otherwise subject.

16.3.3 No Violation of Laws. (a) The execution, delivery and performance of this Agreement by the City will not violate the City Charter, the Glendale City Code or any other ordinance or resolution of the City. (b) As of the Closing Date, the City has not received any notice asserting any noncompliance in any material respect by the City with Applicable Law relating to the transactions contemplated hereby; and the City is not in default with respect to any judgment, order, injunction or decree of any court, administrative agency or other Governmental Authority issued to the City or with respect to the Arena Facility which is in any respect material to the transactions contemplated hereby.

16.3.4 Litigation. Other than as disclosed by the City to the other parties, no suit is pending against the City which could reasonably have a material adverse affect upon the City's performance under this Agreement. There are no outstanding judgments against the City that could reasonably have a material adverse affect upon the City's performance under this Agreement.

16.3.5 Condition of the Arena Facility.

(a) The City has not received notice from any governmental agency or official, whether federal, state or local, that the Arena Facility or any part thereof or any operations conducted thereon, is or may be in violation of any Applicable Law, including without limitation the Americans with Disabilities Act.

(b) The City has not received notice from any governmental agency or official, whether federal, state or local, that the Arena Facility or any part thereof or any operations conducted thereon, is or may be in violation of any Applicable Law, including without limitation the Americans with Disabilities Act.

(c) The City has not received notice from any official or representative of the NHL that the Arena Facility or any part thereof fails to comply or may not comply with any NHL rule or regulation.

(d) To the City's Knowledge, there is no item of maintenance, repair, or replacement which is or may be required to rectify any non-compliance of the Arena Facility with Applicable Law, including without limitation the Americans with Disabilities Act, or the NHL rules and regulations.

(e) To the City's Knowledge, there are no defects associated with the condition of the Arena Facility that would materially adversely affect with Arena Manager's intended use thereof.

(f) To the City's Knowledge, no Hazardous Materials have been used, generated, manufactured, stored or disposed of in, on, or under the Arena in violation of Applicable Law, and there are on the Closing Date no claims, litigation, administrative or other proceedings, whether actual or threatened, or judgments or orders relating to the use, generation, manufacture, storage or disposal of Hazardous Materials in or on the Arena.

(g) There are no actions, suits, proceedings or investigations pending against the City by any person or entity, including, without limitation, any owner or occupant of property located adjacent to the Arena Facility, with respect to or in any manner affecting ownership or operation of all or any portion of the Arena Facility or any Arena Parking Area.

(h) There are no tenancies or other rights of parties in possession affecting all or any portion of the Arena Facility other than the Permitted Exceptions.

(i) The City is not a party to any concession agreement, service or maintenance contract, or other contract with respect to or affecting the Arena Facility or any Arena Parking Area which will not be terminated prior to the Closing Date.

16.4 Team Owner Covenant. The Team Owner covenants with the other parties that the Team Owner shall maintain the Franchise and Team in good standing with the NHL at all times during the Term.

16.5 City Covenants. The City covenants with the other parties as follows:

16.5.1 Third Party Warranties. City shall assign to or enforce for the benefit of Arena Manager any construction warranties for the Arena and any manufacturer's warranties for any Arena Facilities which remain in effect on the Closing Date.

16.5.2 Arena Facility Records. City shall make available to Arena Manager throughout the Term during business hours, for inspection and copying, at City's office address or some other location mutually convenient to the parties, reasonably requested books, records, and other information

relating to the use, ownership or operation of the Arena Facility reasonably within the City's possession or control.

16.6 Other Covenants of the Parties. The parties covenant and agree as follows:

16.6.1 Notice of Matters. If any of the parties acquires knowledge of any matter that may constitute a breach of any of its representations, warranties or covenants set forth herein which arises after the Closing Date, it shall promptly give notice of the same to the other parties.

16.6.2 Compliance With Laws. During the Term, each of the parties shall, in connection with this Agreement and its respective use of, and the exercise of its respective rights with respect to, the Arena Facility, comply with all Applicable Law.

17. DUE DILIGENCE; CONDITIONS TO CLOSING.

17.1 Due Diligence.

17.1.1 Arena Manager Due Diligence Review. The Arena Manager shall have until 5:00 p.m. (Mountain Time) on the December 15, 2012 (the "**Due Diligence Review Period**") to conclude its due diligence review (the "**Arena Manager Due Diligence Review**") of all aspects of the Team and the Arena, including without limitation all financial, legal, regulatory, business and operational matters, and to obtain any third party consents required under leases, service or maintenance contracts and agreements or other agreements of the NHL, its Affiliates, and the City affecting the Team and the Arena (the "**Key Contracts**"). During the Due Diligence Review Period, the City shall reasonably cooperate with such due diligence as reasonably requested by the Arena Manager, including, but not limited to, permitting the Arena Manager and its agents reasonable access to materially relevant information reasonably requested by the Arena Manager. The Arena Manager shall have the right, in its sole discretion, to terminate this Agreement and the Noncompetition/Non-Relocation Agreement by written notice to the City at any time on or before the end of the Due Diligence Review Period if it is not satisfied with the results of its Due Diligence Review or if it is unable to obtain, on reasonable terms, any third party consents required under any Key Contracts (a "**Due Diligence Termination Notice**"). Delivery by the Arena Manager of a Due Diligence Termination Notice under this Section 17.1.1 shall terminate all obligations of the parties under this Agreement and the Noncompetition/Non-Relocation Agreement. In the event that the Arena Manager does not provide such Due Diligence Termination Notice by or before the end of the Due Diligence Review Period, the Arena Manager shall be deemed to have waived all rights of termination set forth in this Section 17.1.1 and the Arena Manager shall thereafter have no right to terminate this Agreement or the Noncompetition/Non-Relocation Agreement based on the Arena Manager Due Diligence Review; provided however that such waiver of these termination rights shall be without prejudice to the Arena Manager's other termination rights provided for in this Agreement.

17.1.2 Team Owner Due Diligence Review. The Team Owner shall have the Due Diligence Review Period to conclude its due diligence review (the "**Team Owner Due Diligence Review**") of all aspects of the Team and the Arena, including without limitation all financial, legal, regulatory, business and operational matters, and to obtain any third party consents required under the Key Contracts. During the Due Diligence Review Period, the City shall reasonably cooperate with such due diligence as reasonably requested by the Team Owner, including, but not limited to, permitting the Team Owner and its agents reasonable access to materially relevant information reasonably requested by the Team Owner. The Team Owner shall have the right, in its sole discretion, to terminate this Agreement and the Noncompetition/Non-Relocation Agreement by a Due Diligence Termination Notice

to the City at any time on or before the end of the Due Diligence Review Period if it is not satisfied with the results of its Due Diligence Review or if it is unable to obtain, on reasonable terms, any third party consents required under any Key Contracts. Delivery by the Team Owner of a Due Diligence Termination Notice under this Section 17.1.2 shall terminate all obligations of the parties under this Agreement and the Noncompetition/Non-Relocation Agreement. In the event that the Team Owner does not provide such Due Diligence Termination Notice by or before the end of the Due Diligence Review Period, the Team Owner shall be deemed to have waived all rights of termination set forth in this Section 17.1.2 and the Team Owner shall thereafter have no right to terminate this Agreement or the Noncompetition/Non-Relocation Agreement based on the Team Owner Due Diligence Review; provided however that such waiver of these termination rights shall be without prejudice to the Team Owner's other termination rights provided for in this Agreement.

17.2 Conditions to Closing. The Closing and Closing Date shall occur upon the satisfaction or waiver of the following conditions to the obligations of the parties:

17.2.1 Conditions to the Obligations of the Arena Manager. The Arena Manager's obligation to consummate the transactions contemplated in this Agreement shall be subject to the following conditions precedent having been satisfied on and as of the Closing Date, to the reasonable satisfaction of Arena Manager or the waiver thereof by Arena Manager, which waiver shall be binding upon Arena Manager only to the extent made in writing and dated as of the Closing Date:

(a) The City shall have duly and timely performed and fulfilled in all material respects its duties, obligations, promises, covenants and agreements hereunder with respect to the period between the Effective Date and the Closing.

(b) The representations and warranties given by the City to the Arena Manager hereunder shall be true and correct in all material respects as of the Closing Date.

(c) No condition shall have changed or event shall have occurred which can reasonably be expected to have a Material Adverse Effect on the Arena or the operating, maintenance or other expenses or obligations relating to the operation of the Arena. "**Material Adverse Effect**" means an event, change or occurrence that individually, or together with any other event, change or occurrence, has a material adverse impact on the financial position, business or results of operations of such business; provided, however, that the term "Material Adverse Effect" shall not include (i) changes in the overall industry or markets in which the business operates, (ii) changes in GAAP; (iii) actions or omissions of such business taken with the prior written consent of the other party to this Agreement, (iv) any change relating to the economy or securities markets in general, (v) the effect of any change in any applicable law or GAAP, or (vi) any change, effect, event, occurrence, state of facts or development resulting from any action required to be taken or performed by the parties hereto after execution of this Agreement.

(d) Arena Manager and Team Owner shall have (a) entered into the NHL Purchase Agreement on terms acceptable to them in their sole discretion for the acquisition of the Team and the Franchise and the assumption of such related agreements as shall be acceptable to them in their sole discretion, and (b) shall have secured financing on terms acceptable to them in their sole discretion sufficient to consummate the transactions set forth under the NHL Purchase Agreement, this Agreement, to pay all related expenses, and to operate the Arena and the Team post-Closing (collectively, the "**NHL Purchase and Financing Condition**").

(e) All conditions to the consummation of the transactions contemplated under the NHL Purchase and Financing Condition shall have been satisfied or waived.

(f) The Related Agreements shall have been executed and delivered by the City and the Team Owner.

17.2.2 Conditions to the Obligations of the Team Owner. The Team Owner's obligation to consummate the transactions contemplated in this Agreement shall be subject to the following conditions precedent having been satisfied on and as of the Closing Date, to the reasonable satisfaction of Team Owner or the waiver thereof by Team Owner, which waiver shall be binding upon Team Owner only to the extent made in writing and dated as of the Closing Date:

(a) The City shall have duly and timely performed and fulfilled in all material respects its duties, obligations, promises, covenants and agreements hereunder with respect to the period between the Effective Date and the Closing.

(b) The representations and warranties given by the City to the Team Owner hereunder shall be true and correct in all material respects as of the Closing Date.

(c) No condition shall have changed or event shall have occurred which can reasonably be expected to have a Material Adverse Effect on the Arena or the operating, maintenance or other expenses or obligations relating to the operation of the Arena.

(d) The NHL Purchase and Financing Condition.

(e) All conditions to the consummation of the transactions contemplated under the NHL Purchase and Financing Condition shall have been satisfied or waived.

(f) The Related Agreements shall have been executed and delivered by the City and the Arena Manager.

17.2.3 Conditions to the Obligations of the City. The City's obligation to consummate the transactions contemplated in this Agreement shall be subject to the following conditions precedent having been satisfied on and as of the Closing Date, to the reasonable satisfaction of the City or the waiver thereof by the City, which waiver shall be binding upon the City only to the extent made in writing and dated as of the Closing Date:

(a) The Arena Manager and the Team Owner shall have duly and timely performed and fulfilled in all material respects its duties, obligations, promises, covenants and agreements hereunder with respect to the period between the Effective Date and the Closing..

(b) The representations and warranties given by Arena Manager and the Team Owner to the City hereunder shall be true and correct in all material respects as of the Closing Date.

(c) The NHL Purchase and Financing Condition.

(d) All conditions to the consummation of the transactions contemplated under the NHL Purchase and Financing Condition shall have been satisfied or waived.

(e) The Related Agreements shall have been executed and delivered by the Arena Manager and the Team Owner.

(f) The Closing Date shall have occurred on or before January 31, 2012 (the “**Outside Closing Date**”), unless extended by the City.

18. CHALLENGES.

18.1 The parties shall, in good faith contest any challenge to the validity, authorization, and enforceability of this Agreement (each, a “**Challenge**”).

18.2 If the Challenge occurs on or after the Effective Date, each party shall bear the costs and expenses of contesting the Challenge incurred by that party.

18.3 Each of the parties shall take all ministerial actions and proceedings necessary or appropriate to remedy any apparent invalidity of, lack or defect in authorization of, or illegality of, or to cure any other defect of, this Agreement which has been asserted or threatened in any Challenge, provided that no party shall be obligated to forego, defer, or accept the forfeiture of any substantial economic benefit or legal right that is a part of the bargained-for consideration for the transactions contemplated by this Agreement.

18.4 Each of the parties shall promptly give notice to the other parties of any Challenge of which the party giving notice acquires knowledge.

19. REMEDIES.

19.1 Team Owner Remedies.

19.1.1 For City Default. Following a City Default, the Team Owner shall, in addition to all other remedies at law and in equity, have the right to seek compensatory damages, but not indirect damages or punitive damages (which are in any event prohibited against the City under Arizona law), arising out of such City Default.

(a) In furtherance, and not in limitation, of the foregoing, the Team Owner shall have the right to (i) seek an award or order requiring specific performance by the City of the City’s obligations under this Agreement and (ii) solely with respect to a “City Default” which occurs under subclause (a) of the definition thereof in this Agreement, terminate this Agreement, upon 90 days’ written notice to the City during which time the City shall have the right to cure.

(b) The Team Owner hereby waives, with respect to any City Default, any claim or right to indirect damages or punitive damages (which may not be awarded in any event) and acknowledges that the other parties are relying on such waiver in entering into this Agreement.

19.1.2 For Arena Manager Default. Following an Arena Manager Default, the Team Owner shall, in addition to all other remedies at law and in equity, have the right to seek compensatory damages, but not indirect damages or punitive damages, arising out of such Arena Manager Default.

(a) In furtherance, and not in limitation, of the foregoing, the Team Owner shall have the right to seek an award or order requiring specific performance by the Arena Manager of the Arena Manager’s obligations under this Agreement.

(b) The Team Owner hereby waives, with respect to any Arena Manager Default any right to terminate this Agreement (or any other agreement among the parties) or the rights of the Arena Manager under this Agreement (or under any other agreement among the parties), and acknowledges that the other parties are relying on such waiver in entering into this Agreement.

(c) The Team Owner further acknowledges that the Team Owner may seek damages from the Arena Manager only from the Arena Manager's own funds and shall not have any right to recover damages from the Arena Manager from the City or out of Arena Accounts.

(d) The Team Owner hereby waives, with respect to any Arena Manager Default, any claim or right to indirect damages or punitive damages and acknowledges that the other parties are relying on such waiver in entering into this Agreement.

19.2 Arena Manager Remedies.

19.2.1 For Team Owner Default. Following a Team Owner Default, the Arena Manager shall, in addition to all other remedies at law and in equity, have the right to seek compensatory damages, but not indirect damages or punitive damages, arising out of the Team Owner Default by the Team Owner.

(a) In furtherance, and not in limitation, of the foregoing, the Arena Managers shall have the right to (i) seek an award or order requiring specific performance by the City of the City's obligations under this Agreement and (ii) solely with respect to a "City Default" which occurs under subclause (a) of the definition thereof in this Agreement, terminate this Agreement, upon 90 days' written notice to the City during which time the City shall have the right to cure.

(b) The Arena Manager hereby waives, with respect to any Team Owner Default, any right to terminate this Agreement (or any other agreement among the parties) or the rights of the Team Owner under this Agreement (or under any other agreement among the parties), and acknowledges that the other parties are relying on such waiver in entering into this Agreement.

(c) The Arena Manager hereby waives, with respect to any Team Owner Default, any claim or right to indirect damages or punitive damages and acknowledges that the other parties are relying on such waiver in entering into this Agreement.

19.2.2 For City Default. Following a City Default, the Arena Manager shall, in addition to all other remedies at law and in equity, have the right to seek compensatory damages, but not indirect damages or damages punitive (which are in any event prohibited against the City under Arizona law), arising out of such City Default.

(a) In furtherance, and not in limitation, of the foregoing, the Arena Manager shall have the right to seek an award or order requiring specific performance by the City of the City's obligations under this Agreement.

(b) The Arena Manager hereby waives, with respect to any City Default, any claim or right to indirect damages or punitive damages (which may not be awarded in any event) and acknowledges that the other parties are relying on such waiver in entering into this Agreement.

19.3 City Remedies.

19.3.1 For Team Owner Default. Following a Team Owner Default, the City shall, in addition to all other remedies at law and in equity, have the right to seek compensatory damages, but not indirect damages or punitive damages, arising out of such Team Owner Default.

(a) In furtherance, and not in limitation, of the foregoing, the City shall have the right to seek an award or order requiring specific performance by the Team Owner of the Team Owner's obligations under this Agreement.

(b) The City hereby waives, with respect to any Team Owner Default, any claim or right to indirect damages or punitive damages and acknowledges that the other parties are relying on such waiver in entering into this Agreement.

19.3.2 For Arena Manager Default. Following an Arena Manager Default, the City shall, in addition to all other remedies at law and in equity, have the right to seek compensatory damages, but not indirect damages or punitive damages, arising out of such Arena Manager Default.

(a) In furtherance, and not in limitation, of the foregoing, the City shall have the right to seek an award or order requiring specific performance by the Arena Manager of the Arena Manager's obligations under this Agreement.

(b) The City hereby waives, with respect to any Arena Manager Default, any claim or right to indirect damages or punitive damages and acknowledges that the other parties are relying on such waiver in entering into this Agreement.

19.3.3 Replacement Arena Manager.

(a) In the event of an Arena Manager Withdrawal, the City may elect to secure a Replacement Arena Manager and with respect to the Arena Manager's obligation to the Team Owner, provided the Team Owner has not breached its obligations under the Noncompetition/Non-Relocation Agreement, shall remain in effect in accordance with its terms and subject to Applicable Law, and the Replacement Arena Manager will assume the obligations to the Team Owner of the Arena Manager under this Agreement.

(b) If the City elects to secure a Replacement Arena Manager, the City shall so notify the Team Owner in writing and grant the Team Owner a first option to secure a Replacement Arena Manager (which may be the Team Owner, an Affiliate of the Team Owner, or a Third Party) within 30 days following such notice; provided however that the City shall not be required to grant a first option to the Team Owner more than three times during the Term. Any agreement by which the Team Owner secures a Third Party as a Replacement Arena Manager pursuant to this Section 19.3.3(b) shall not be subject to the requirement at the beginning of Section 8.11.4(a) or the City's right to demand compliance with Section 8.11.4(b)-(d). To the extent the Team Owner has waived its first option hereunder, the applicable thirty-day period expires without the securing by the Team Owner of a Replacement Arena Manager or the Team Owner otherwise no longer has a first right under this Section 19.3.3(b), the City shall be entitled to secure a Replacement Arena Manager.

(c) Upon designation of a Replacement Arena Manager pursuant to this Agreement, the Arena Manager shall:

(i) Deliver to the City, the Team Owner and the Replacement Arena Manager, immediately after the Arena Manager's receipt of notice of the designation of the Replacement Arena Manager (or such termination), a final accounting reflecting the balance of income and expenses as of the effective date of such designation (or such termination);

(ii) Deliver to the Replacement Arena Manager, immediately after the Arena Manager's receipt of notice of such designation (or such termination), all monies in Arena Accounts or otherwise held by the Arena Manager on behalf of the Team Owner or the City, together with an accounting therefor;

(iii) Deliver to the Replacement Arena Manager, immediately after the Arena Manager's receipt of notice of such designation (or such termination), all keys, security codes, books and records of account, agreements and contracts, Licenses, receipts for deposits, unpaid bills and other papers or documents relating to the Arena Facility and this Agreement; and

(iv) For a reasonable period of time after the effective date of such designation (or such termination), make itself available to consult with and advise the City, the Team Owner, and the Replacement Arena Manager regarding the operation, management and maintenance of the Arena Facility.

(d) The City, the Replacement Arena Manager, and the Team Owner shall thereafter be bound by the terms, conditions and agreements set forth herein, with the same force and effect as if the Replacement Arena Manager were the original Arena Manager hereunder, including the need for any subsequent Replacement Arena Manager as a result of an Arena Manager Withdrawal.

(e) The City, the Arena Manager and the Team Owner shall take such actions as are required to cause the Replacement Arena Manager to succeed to all rights, and assume all existing contracts of the current Arena Manager under this Agreement all Licenses and all other contracts or agreements entered into by the Arena Manager pursuant to this Agreement.

19.4 Rights and Remedies are Cumulative. Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, including the waivers of indirect and punitive damages and the waivers of termination rights set forth therein, the rights and remedies of the parties are cumulative and the exercise by any party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies under Applicable Law for the same Event of Default or any other Event of Default.

19.5 Costs, Expenses and Fees. In the event of any litigation, arbitration or other dispute resolution proceeding (including Arbitration proceedings required by this Agreement) in connection with this Agreement, involving a claim by any party hereto against any other party hereto (a "**Proceeding**"), (i) no party shall be entitled to advances from or to be reimbursed from Operating Revenues for any costs or expenses incurred by it in such Proceeding, including reasonable attorneys' fees or costs; (ii) no such costs and expenses shall be treated as Operating Expenses; (iii) the prevailing party in such Proceeding shall be entitled to be reimbursed (but not from Operating Revenues) for all costs and expenses incurred in such Proceeding, including reasonable attorneys' fees and costs as may be fixed by the court or the Arbitrator, in such manner and from such parties as may be directed by such court or Arbitrator; and (iv) any award granted to a party in such Proceeding shall be treated as the sole property of such party.

19.6 Acceptance of Legal Process.

19.6.1 Service on the Arena Manager. In the event any legal or equitable action is commenced against the Arena Manager by any other party hereto, service of process on the Arena Manager shall be made by personal service upon the President of the Arena Manager or in such other manner as may be authorized by law.

19.6.2 Service on the Team Owner. In the event any legal or equitable action is commenced against the Team Owner by any other party hereto, service of process on the Team Owner shall be made by personal service upon the Chairman or Chief Executive Officer of the Team Owner or in such other manner as may be authorized by law.

19.6.3 Service on City. In the event that any legal or equitable action is commenced against the City by any other party hereto, service of process on the City shall be made by personal service upon the City Clerk of the City of Glendale, Arizona or in such other manner as may be authorized by law.

20. INDEMNIFICATION.

20.1 Arena Manager Indemnification of City. Except to the extent attributable to the negligence or willful misconduct of the City or any Arena Manager Default (for which the City shall have the remedies described in Section 19), the Arena Manager shall defend, indemnify and hold the City and its city council members, elected officials, agents, employees, other officials and other representatives harmless for, from and against any Claim or Loss that arises from or relates to the Arena Manager's management, operation, use or occupancy of the Arena Facility or any portion thereof. Any and all costs and expenses incurred by the Arena Manager to discharge its obligations under this Section shall be included as Operating Expenses.

20.2 Team Owner Indemnification of City. Except to the extent attributable to the negligence or willful misconduct of the City or any Team Owner Default (for which the City shall have the remedies described in Section 19), the Team Owner shall defend, indemnify and hold the City and its city council members, elected officials, agents, employees, officials and other representatives harmless for, from and against any Claim or Loss that arises from or relates to the Team Owner's use or occupancy of the Arena Facility or any portion thereof.

20.3 City Indemnifications.

20.3.1 Arena Manager. Except to the extent attributable to the negligence or willful misconduct of the Arena Manager or any of its agents, employees, officials or other representatives or any City Default (for which the Arena Manager shall have the remedies described in Section 19), the City shall defend, indemnify and hold the Arena Manager and its agents, employees, officials and other representatives harmless for, from and against any Claim or Loss that arises from or relates to the City's sole use or occupancy of the Arena Facility or any part thereof, including any City Sponsored Event.

20.3.2 Team Owner. Except to the extent attributable to the negligence or willful misconduct of the Team Owner or any of its agents, employees, officials or other representatives or any City Default by the City (for which the Team Owner shall have the remedies described in Section 19), the City shall defend, indemnify and hold the Team Owner and its agents, employees, officials and other representatives harmless for, from and against any Claim or Loss that arises from or relates to the City's sole use or occupancy of the Arena Facility or any portion thereof, including any City Sponsored Event.

21. DISPUTE RESOLUTION.

21.1 Arbitration. Any Arbitration Dispute, including any dispute as to whether a proposed Capital Improvement is necessary to ensure the economic competitiveness of the Arena Facility pursuant to Section 11.9.2, shall be submitted to Arbitration in accordance with this Section.

21.2 Arbitration Procedure.

21.2.1 Arbitrators. The parties to the Arbitration Dispute shall submit to the others the names of three qualified and independent persons who have previously indicated an availability and willingness to serve as an Arbitrator of the dispute.

(a) If any one name appears on all of the lists, that person shall be the Arbitrator for purpose of deciding the Arbitration Dispute.

(b) If two or more names appear on each of the parties' lists, the parties shall select one of these persons to serve as the Arbitrator.

(c) If no name appears on each of the parties' lists or the parties are unable to agree on an Arbitrator, each party to the dispute will select one name from each of the others parties' lists and those names will be place into a blind drawing by a independent party, and the person whose name is drawn will serve as the Arbitrator.

21.2.2 Location. The Arbitration shall be conducted by the Arbitrator at a location in Maricopa County, Arizona selected by the Arbitrator.

21.2.3 Rules. The Arbitration shall be subject to the Arizona Arbitration Act unless the provisions of that Act have been modified by this Agreement or a subsequent agreement of the parties. The Arbitrator shall follow the commercial rules of the American Arbitration Association, but shall have discretion to vary from such rules in light of the nature or circumstances of a given Arbitration Dispute; provided that the Arbitrator shall, in all events, be required to assure the process is fair and equitable and not unreasonably inconsistent with the rules, customs, and practices of litigation conducted in Maricopa County, Arizona.

21.2.4 Discovery. The parties shall make reasonable efforts to agree on the scope of discovery with respect to any Arbitration Dispute. In the event the parties are not able to agree on such rules and the extent and the scope of such discovery, all issues relating to such discovery shall be resolved by the Arbitrator in accordance with the standard established above.

21.2.5 Hearing. The parties shall make reasonable efforts to agree on the scope of discovery with respect to any Arbitration Dispute.

(a) Unless waived by each of the parties participating in the Arbitration, the Arbitrator shall conduct an Arbitration hearing at which the participating parties and their respective counsel may be present and have the opportunity to present evidence and examine and cross-examine witnesses.

(b) Witnesses shall, unless waived by all the parties to the Arbitration Dispute, present testimony under oath.

21.2.6 Experts Retained by Arbitrator.

(a) If the Arbitrator determines that the matters or issues involved in any Arbitration Dispute are outside the scope of the Arbitrator's expertise, the Arbitrator shall have the right to retain and rely on experts with respect to such matters and issues.

(b) The cost of any expert retained by the Arbitrator shall be a cost of the Arbitration to be paid as directed by the Arbitrator.

(c) Any information obtained by the Arbitrator from an expert engaged by the Arbitrator shall be disclosed by the Arbitrator to the parties to such Arbitration Dispute, and each such party shall have the right to present evidence and testimony from such party's own expert with respect to such matter or issue.

21.2.7 Timing. The parties shall cooperate in good faith to permit a conclusion of the Arbitration hearing within 30 days following the submission of the Arbitration Dispute to the Arbitrator.

21.2.8 Notices. Neither the requirement to utilize nor the pendency of any Arbitration shall in any way invalidate any notices or extend any cure periods applicable to an Event of Default.

21.3 Arbitration Decision.

21.3.1 Remedies and Waivers Cannot be Altered by Arbitrator. If the Arbitration results in a determination by the Arbitrator that an Event of Default has occurred, the provisions of Section 19, including the waivers of indirect and punitive damages and termination rights set forth therein, shall govern the damages and other remedies which may be implemented or ordered by the Arbitrator.

21.3.2 Disputes Regarding Awards or Settlements. The parties agree that any disputes which arise out of such a written settlement agreement or award shall be resolved exclusively by Arbitration pursuant to this Section, provided that any party may institute legal proceedings in a court of competent jurisdiction to enforce judgment upon an Arbitration award in accordance with Applicable Law.

21.3.3 Fees and Expenses.

(a) The Arbitrator shall provide to the parties an invoice for fees and expenses incurred during each 30-day period in which the Arbitration proceeding is pending.

(b) The parties shall each pay in one-half of the Arbitrator's invoice within 15 days of receipt.

(c) The prevailing party or parties in any Arbitration shall be entitled to reimbursement for any costs of such proceeding, reasonable attorneys' fees, reasonable costs of investigation and any other expenses incurred in connection with such Arbitration in the manner directed by the Arbitrator.

21.4 Equitable Litigation. Notwithstanding any other provision of this Section to the contrary, any party may engage an Equitable Litigation to seek interim equitable relief with respect to an Arbitration Dispute.

21.4.1 Nothing herein shall be construed to suspend or terminate the obligation of any party hereto to promptly proceed with the Arbitration concerning the Arbitration Dispute that is the subject of such Equitable Litigation while such Equitable Litigation (and any appeal therefrom) is pending.

21.4.2 Regardless of whether such interim relief is granted or denied, or whether such Equitable Litigation is pending or any appeal is taken from the grant or denial of such relief, the parties shall at all times diligently proceed to complete the Arbitration.

21.4.3 Any interim relief granted in such Equitable Litigation, or any appeal therefrom, shall remain in effect until, and only until, the Arbitration concerning the Arbitration Dispute that is the subject of such Equitable Litigation results in a settlement agreement or the issuance of an award following Arbitration.

21.4.4 Such written settlement agreement or award shall be the binding, final determination on the merits of the Arbitration Dispute (including any equitable relief but excluding any award of attorneys' fees or costs awarded or granted in the Equitable Litigation), shall supersede and nullify any decision in the Equitable Litigation on the merits of the Arbitration Dispute, and shall preclude any subsequent litigation on such merits, notwithstanding any determination to the contrary in connection with any Equitable Litigation granting or denying interim relief or any appeal therefrom.

21.4.5 The parties agree that any Equitable Litigation shall be filed exclusively in the state or federal courts in Maricopa County, Arizona. The parties consent and agree to the exclusive jurisdiction of the courts located in Maricopa County, Arizona for any Equitable Litigation. No party will argue or contend that it is not subject to the jurisdiction of the courts located in Maricopa County, Arizona or that venue in Maricopa County, Arizona is improper with respect to any Equitable Litigation.

21.4.6 For the purposes of this Section, "**Equitable Litigation**" means an action to secure a temporary restraining order, preliminary injunction or other interim equitable relief concerning an Arbitration Dispute, including specific performance, provisional remedies, stay of proceedings in connection with special action relief or any similar relief of an interim nature.

22. ASSIGNMENT.

22.1 Arena Manager Assignment.

22.1.1 The Arena Manager may not assign, pledge, transfer or otherwise attempt to transfer the Arena Manager's duties and obligations under this Agreement, without the prior consent of each of the City and the Team Owner and any such transfer or attempted transfer to which the City or the Team Owner does not consent pursuant to this Section is void.

22.1.2 Nothing in this Section shall be construed or deemed to limit or restrict the rights of the Arena Manager to delegate all or a portion of the Arena Manager's duties and responsibilities hereunder in accordance with the terms of this Agreement or limit the Arena Manager's rights to assign, pledge or otherwise transfer the Arena Management Fee.

22.1.3 The Arena Manager may not assign, transfer, convey or encumber the Arena Parking Area or the Arena Parking Rights without the prior written consent of the City, which may be withheld in the City's sole discretion.

22.2 Team Owner Assignment.

22.2.1 Subject further to the terms and conditions of the Noncompetition/Non-Relocation Agreement, the Team Owner shall have the right to assign, pledge and otherwise transfer the rights and obligations of the Team Owner under this Agreement (in whole or in part), without the consent of the City, to any Person so long as (i) the Franchise is included in such assignment, pledge or transfer and (ii) such assignment, pledge or transfer is approved by the NHL or permitted by the Hockey Rules.

22.2.2 The Team Owner shall give the City and the Arena Manager notice of the submission of any request for the NHL's approval of any such assignment promptly after the Team Owner acquires knowledge of such submission, which notice shall include the name of the proposed transferee.

22.2.3 Immediately upon any such transfer becoming effective, the transferor and the transferee of the Team Owner's obligations under this Agreement shall execute an assignment and assumption agreement evidencing such transferee's assumption of such obligations in such form and content as is reasonably acceptable to the City and the Arena Manager.

22.2.4 Any other transfer of the rights and obligations of the Team Owner under this Agreement shall require the prior consent of the City, and any such transfer or attempted transfer to which the City does not consent is void.

23. ARENA PURCHASE OPTION.

23.1 Option. The City grants to the Arena Manager during the Term the option to purchase the Arena Facility (the "**Arena Option**") and in the event that the Arena Manager chooses to exercise the Arena Option, the City shall be obligated to sell the Arena Facility to the Arena Manager, free and clear of all liens not created by Arena Manager or the Team Owner, for the Option Purchase Price.

23.2 Option Price. The purchase price for the Arena Option shall be an amount equal to the fair market value of the Arena as determined by the mutual agreement of the City and the Arena Manager less any unamortized value of any capital expenditures and improvements solely paid for (without payment or reimbursement therefor by the City) by the Arena Manager or the Team Owner and approved by the City ("**Option Price**").

23.3 Appraisal. To assist with the purchase transaction, the parties will retain an independent appraiser to provide an appraisal as to the full value of the Arena.

23.3.1 The parties will share the cost of the appraiser equally.

23.3.2 If either party desires another appraisal, that costs for that appraisal will be borne by the party requesting another appraisal.

23.4 Minimum Option Price. Notwithstanding the above, the Option Price shall not be less than the full amount required to redeem all of the City's outstanding Arena Revenue Bonds or, in the event the Arena Revenue Bonds have been refinanced at the time the Arena Manager exercises the Arena Option, an amount equal to the calculated principal balance of the Arena Revenue Bonds at the time the Arena Manager will close on the purchase of the Arena assuming that no refinancing been undertaken and

that the Arena Revenue Bonds had been paid in accordance with their terms and established payment schedules.

24. MISCELLANEOUS.

24.1 Amendment; Waiver.

24.1.1 No alteration, amendment or modification hereof shall be valid unless evidenced by a written instrument executed by the parties with the same formality as this Agreement.

24.1.2 The failure of any party hereto to insist in any one or more instances upon the strict performance of any of the covenants, agreements, terms, provisions or conditions of this Agreement, or to exercise any election or option 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.

24.1.3 No waiver by any party hereto of any covenant, agreement, term, provision or condition of this Agreement shall be deemed to have been made unless expressed in writing and signed by an appropriate official or officer on behalf of such party.

24.2 Consents and Approvals. Unless otherwise specifically provided herein, no consent or approval by any party permitted or required under the terms of this Agreement shall be valid unless the same shall be in writing, signed by the party by or on whose behalf such consent or approval is given. Unless a higher standard is expressly provided for pursuant to any provision of this Agreement, any consent or approval required to be given or otherwise provided for in this Agreement shall not be unreasonably withheld, delayed or conditioned by the party giving such consent or approval.

24.3 Additional Documents and Approval. Each of the parties, whenever and as often as each shall be reasonably requested to do so by any other party hereto, shall execute or cause to be executed any additional documents, take any additional actions and grant any additional approvals consistent with the provisions of this Agreement as may be necessary or expedient to consummate the transactions provided for in, and to carry out the purpose and intent of, this Agreement.

24.4 Severability. If any provision of this Agreement, or the application thereof to any party or circumstance, shall, to any extent, be invalid or unenforceable, the remainder of the provision, or the application of the same to parties or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each remaining provisions shall be valid and enforceable to the fullest extent permitted by law, provided that the obligations of the City to pay the Management Fee are so material that such obligations shall not be severable and this Agreement shall terminate if any portion or amount of the Management Fee shall be invalid (or avoided or recovered pursuant to A.R.S. § 44-1007).

24.5 Binding Effect. Except as may otherwise be provided herein to the contrary, this Agreement and each of the provisions hereof shall be binding upon and inure to the benefit of the parties, and their respective permitted successors and assigns.

24.6 Relationship of Parties. No partnership or joint venture is established between or among the parties under this Agreement, or any other agreement referred to in this Agreement. Neither the Team Owner nor the Arena Manager, nor any of their respective Affiliates, employees, agents, contractors nor

guests, shall be considered agents or employees of the City or to have been authorized to incur any expense on behalf of the City or to act for or to bind the City.

24.7 Notices.

24.7.1 All notices, demands, disclosures, acknowledgments, consents, approvals, statements, requests, responses and invoices to be given under this Agreement shall be in writing, signed by the party or officer, agent or attorney of the party giving such notice, demand, disclosure, acknowledgment, consent, approval, statement, request, response, or invoice, and shall be deemed effective (i) upon receipt if hand delivered or sent by overnight courier service; or (ii) upon delivery or the date of refusal if sent by the United States mail, postage prepaid, certified mail, return receipt requested, in either case addressed as follows:

To the Arena Manager: Arizona Hockey Arena Partners LLC
c/o Hopkins & Carley
The Letitia Building
70 South First Street
San Jose, CA 95113
Attn: Clarence A. Kellogg, Jr.

with copy to: Hopkins & Carley
The Letitia Building
70 South First Street
San Jose, CA 95113
Attn.: Clarence A. Kellogg, Jr.

To the City: City Manager
City of Glendale
5850 West Glendale Avenue
Glendale, Arizona 85301

with copy to: City Attorney
City of Glendale
5850 West Glendale Avenue
Glendale, Arizona 85301

To the Team Owner: Arizona Hockey Partners LLC
c/o Hopkins & Carley
The Letitia Building
70 South First Street
San Jose, CA 95113
Attn: Clarence A. Kellogg, Jr.

with copy to: Hopkins & Carley
The Letitia Building

70 South First Street
San Jose, CA 95113
Attn.: Clarence A. Kellogg, Jr.

24.7.2 Any party hereto may from time to time, by notice given to the other parties pursuant to the terms of this Section 24.7, change the address to which notices, demands, disclosures, acknowledgments, consents, approvals, statements, requests, responses and invoices to such party are to be sent or designate one or more additional Persons to whom notices, demands, disclosures, acknowledgments, consents, approvals, statements, requests, responses and invoices are to be sent. A party giving a notice, demand, disclosure, acknowledgment, consent, approval, statement, request, response or invoice under this Agreement shall, contemporaneously with the giving of the same, give a copy of such notice, demand, disclosure, acknowledgment, consent, approval, statement, request, response or invoice to each party hereto that is not a named recipient thereof.

24.8 Applicable Law. This Agreement has been prepared in the State of Arizona and shall be governed in all respects by the laws of the State of Arizona.

24.9 Time is of the Essence. Time is of the essence of this Agreement and every term or performance hereunder. The parties agree that a City Default for the failure pay any portion of the Management Fee would be a material breach of this Agreement, and that Arena Manager and Team Owner are expressly relying upon the timely payment of the Management Fee as a material inducement to enter into this Agreement.

24.10 Antidiscrimination Clause. The Arena Manager and the Team Owner shall comply with all applicable state, local and federal laws, rules, regulations, executive orders and agreements pertaining to discrimination in employment and unlawful employment practices.

24.11 Counterparts. This Agreement 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.

24.12 Entire Agreement: Conflict. This Agreement and the Related Agreements supersede any prior understanding or written or oral agreements between the parties respecting the within subject matter and contains the entire understanding among the parties with respect thereto. In the event of any conflict between any provision in the Recitals to this Agreement and any provision in the Agreement, the provision in the Agreement shall govern.

24.13 Conflicts of Interest.

24.13.1 Each member, official, representative and employee of the City shall, at all times while this Agreement is in effect, be bound by all Applicable Law pertaining to conflicts of interest, and, to the extent prohibited by such laws, not have any personal interest, direct or indirect, in this Agreement or participate in any decision relating to this Agreement that relates to his or her personal interest or the interest of any entity in which he or she is, directly or indirectly, interested.

24.13.2 A.R.S. § 38-511 provides political subdivisions of the State of Arizona, including the City, with the right to cancel contracts under certain circumstances.

24.13.3 The parties acknowledge that the provisions of A.R.S. § 38-511, which are hereby incorporated in this Agreement by this reference, may create a situation in which the City might have a right to cancel this Agreement pursuant to A.R.S. §38-511.

24.13.4 The Arena Manager or the Team Owner shall knowingly take any action that could create a right of cancellation under A.R.S. § 38-511 with respect to this Agreement. The parties hereby agree to the following procedures with respect to A.R.S. § 38-511, to the extent permitted by A.R.S. § 38-511.

24.14 Saturday, Sunday or Holiday. If the final date of any period provided for herein for the performance of an obligation or for the taking of any action falls on a day other than a Business Day, then the time of such period shall be deemed extended to the next Business Day.

24.15 Confidentiality of Proprietary Information.

24.15.1 The parties acknowledge that certain records and information of or in possession of the Arena Manager and the Team Owner relating to the use, management, and operation of the Arena Facility (including the terms and conditions of Licenses and Concessions Agreements, and any Arena Manager Affiliate Contracts inspected pursuant to Section 8.11.4(a)) and budgets, financial results of operations, and financial projections that are delivered to, audited, examined or inspected by the City pursuant to this Agreement, are or will be proprietary and will place the Team Owner and the Arena Manager at a competitive disadvantage if disclosed to any third party, including competitors and potential users of the Arena.

24.15.2 The parties shall, at all times during the Term and subject to applicable law, take all precautions reasonably necessary to ensure that such proprietary information is not released or disclosed to Persons other than the parties without the prior consent of the party to which such information pertains.

24.15.3 Each of the parties further agrees to notify the other parties upon receipt of a request for disclosure of any such proprietary information so that each party hereto may take appropriate actions to protect such proprietary information.

24.15.4 In the event of any claim or litigation related to the City's efforts to protect from disclosure the private, propriety information of any other party to this Agreement, the party desiring the information be protected will accept the tender of the defense of this claim, defend the City against the claim, and fully indemnify and hold the City and each of its officials harmless from all costs, fees, penalties that may be assessed.

24.16 Attorneys' Fees.

24.16.1 Each party shall bear its own costs and expenses (including attorneys' fees and costs) incurred with respect to the negotiation, execution, delivery and this Agreement, the Related Agreements and the consummation of the transactions at Closing contemplated hereby and thereby ("**Transaction Costs**"); provided however that if the City does not vigorously defend any Challenge by a Third Party under the Constitution of the State of Arizona then the City shall reimburse the Arena Manager and the Team Owner for their respective out-of-pocket Transaction Costs up to an aggregate amount not to exceed \$100,000.

24.16.2 In the event of any controversy, claim or dispute between or among the parties arising from or relating to this Agreement, the prevailing party or parties shall be entitled to recover reasonable costs, expenses, court costs, expert witness fees, litigation-related expenses and attorneys' fees.

24.16.3 For all purposes of this Agreement and any other documents relating to this Agreement, the terms "attorneys' fees" or "counsel fees" shall be deemed to include paralegals and legal assistants' fees, and wherever provision is made herein or therein for the payment of attorneys' or counsel fees or expenses, such provision shall include such fees and expenses (and any applicable sales taxes thereon) incurred in any and all Arbitration, judicial, bankruptcy, reorganization, administrative or other proceedings, including appellate proceedings, whether such fees or expenses arise before proceedings are commenced or after entry of a final judgment.

24.17 Force Majeure. Failure in performance by any party hereunder shall not be deemed an Event of Default, and the non-occurrence of any condition hereunder shall not give rise to any right otherwise provided herein, when such failure or non-occurrence is due to Force Majeure. To the extent a party believes any failure or non-occurrence is due to Force Majeure, such party shall promptly notify the other parties accordingly. An extension of time for the performance by any party hereunder attributable to Force Majeure shall be limited to the period of delay due to such Force Majeure, which period shall be deemed to commence from the time of the commencement of the Force Majeure. Notwithstanding the foregoing, however, no Force Majeure shall discharge the Arena Manager's obligation to pay the rent at the time required by this Agreement.

24.18 Agreed Extensions. Times of performance under this Agreement may also be extended as mutually agreed upon in writing by the parties. However, any failure to agree to a proposed extension of time for performance shall not be deemed grounds for delay or failure to timely cure an Event of Default hereunder.

24.19 Survival. All duties and obligations of each party that by their terms are to be performed after the Termination Date or which set forth rights or obligations that are effective after the Termination Date shall survive the expiration or other termination of this Agreement.

24.20 Third-Party Beneficiary. The provisions of this Agreement are for the exclusive benefit of the parties express named in this Agreement and not for the benefit of any third person, and this Agreement shall not be deemed to have conferred any rights, express or implied, upon any third Person.

24.21 Memorandum. No party shall record this Agreement or a copy thereof; instead, each party hereto shall, contemporaneously with its execution of this Agreement, execute the Memorandum of Agreement in the form attached hereto as Exhibit "K", and the parties shall cause such executed Memorandum of Agreement to be recorded in the Official Records of Maricopa County, Arizona within 10 days after the Closing Date (with the legal descriptions being inserted in Schedule "1" to Exhibit "K" attached hereto).

24.22 Provisions That Are Subject to Other Agreements. Given that various provisions in this Agreement indicate that they are subject to the provisions of any one or more of the following agreements: Licenses, Concessions Agreements, Suite License Agreements, Premium Seat Agreements, Advertising Agreements and Naming Rights Agreements, the parties agree that no such agreement shall be inconsistent with any provision of this Agreement and that no such agreement shall unreasonably

interfere with the Arena Manager's performance of its obligations under this Agreement or with the City's rights under this Agreement.

24.23 Immigration Law Compliance.

24.23.1 The Arena Manager and the Team Owner, on behalf of themselves and any subcontractor, warrant, to the extent applicable under A.R.S. §41-4401, compliance with all federal immigration laws and regulations that relate to their employees as well as compliance with A.R.S. §23-214(A) which requires registration and participation with the E-Verify Program.

24.23.2 Any breach of warranty under this Section shall be considered a material breach of this Agreement and will be subject to penalties up to and including termination of this Agreement.

24.23.3 The City retains the legal right to inspect the papers of the Arena Manager and the Team Owner or subcontractor employee who performs work under this Agreement to ensure that the Arena Manager and the Team Owner or any subcontractor is compliant with the warranty under this Section.

(a) The City may conduct random inspections, and upon the request of the City, the Arena Manager and the Team Owner will provide copies of papers and records of the Arena Manager and the Team Owner demonstrating continued compliance with the warranty under this Section.

(b) The Arena Manager and the Team Owner agree to keep papers and records available for inspection by the City during normal business hours and will cooperate with the City in the exercise of its statutory duties and not deny access to their business premises or applicable papers or records for the purposes of enforcement of this Section.

24.23.4 The Arena Manager and the Team Owner agree to incorporate into any subcontracts under this Agreement the same obligations imposed upon the Arena Manager and the Team Owner and expressly accrue those obligations directly to the benefit of the City. The Arena Manager and the Team Owner also agree to require any subcontractor to incorporate into each of its own subcontracts under this Agreement the same obligations above and expressly accrue those obligations to the benefit of the City.

(a) The Arena Manager and the Team Owner's warranty and obligations under this Section to the City are continuing throughout the term of this Agreement or until such time as the City determines, in its sole discretion, that Arizona law has been modified in that compliance with this Section is no longer a requirement.

(b) The "E-Verify Program" above means the employment verification program administered by the United States Department of Homeland Security, the Social Security Administration, or any successor program.

24.24 Iran and Sudan Prohibitions. The Arena Manager and the Team Owner certify under A.R.S. §§ 35-391 *et seq.* and 35-393 *et seq.*, (the "Act") that neither have, and during the term of this Agreement will not have, "scrutinized" business operations, as defined By the Act, in the countries of Sudan or Iran.

[Signatures appear on following pages.]

DRAFT 11/15/12 22:08
FOR COUNCIL REVIEW 11-20-12

IN WITNESS WHEREOF, the parties have hereunto set their hands to be effective as of the Effective Date.

ARENA MANAGER:

ARIZONA HOCKEY ARENA PARTNERS LLC, a
Delaware limited liability company

By: ARIZONA HOCKEY PARTNERS LLC, a
Delaware limited liability company
Its: Sole Member

By: JAMISON ENTERTAINMENT GROUP
LLC, a California limited liability
company
Its: Managing Member

By: _____
Name: Greg Jamison
Its: Manager

TEAM OWNER:

ARIZONA HOCKEY PARTNERS LLC, a Delaware
limited liability company

By: JAMISON ENTERTAINMENT GROUP
LLC, a California limited liability company
Its: Managing Member

By: _____
Name: Greg Jamison
Its: Manager

CITY:

CITY OF GLENDALE, an Arizona municipal corporation

By: _____
Name: _____
Its: _____

ATTEST:

Pam Hanna, City Clerk

APPROVED AS TO FORM:

Craig D. Tindall, City Attorney

DRAFT 11/15/12 22:08
FOR COUNCIL REVIEW 11-20-12

EXHIBIT "A"
Arena Facility Description
(See Section 1.1)



EXHIBIT "B"

Arena Land

(See Section 1.1)

Lot 9, of the Final Plat of Westgate recorded on May 2, 2005 in Book 745, Map 14 of the Official Records of the Office of the Maricopa County Recorder's Office.

EXHIBIT “C”**Management Performance Standards**

(See Section __)

The Arena Manager will manage, operate, utilize and maintain the Arena Facility to a standard of quality or performance and practices that is consistent with the performance and practices following arenas considered collectively (collectively, the “**Comparable Facilities**”):

- (i) US Airways Center located in Phoenix, AZ;
- (ii) Nationwide Arena located in Columbus, OH; and
- (iii) Xcel Energy Center located in St. Paul, MN.

In the event that any of the Comparable Facilities:

- (a) is closed and not regularly used with a 90 period for events,
- (b) permanently ceases to host a national professional sports franchise as a primary tenant or,
- (c) ceases to be maintained and operated in accordance with the standards of service and quality generally accepted within the arena/events center industry for first class arenas and events centers, provide the City and Arena Manager agree the condition in (c) exists or, if the City and Arena Manager are unable to agree, the condition in (c) is determined to exist by an Arbitrator (in accordance with the Arena Lease and Management Agreement)

in which case the specific Comparable Facility shall be deleted from the list of Comparable Facilities and the City, the Arena Manager and the Team will agree upon substitute Comparable Facility with appropriate adjustments to reflect newer buildings and technology than that possessed by the Arena Facility. Until such substitution is made, the Comparable facilities not deleted shall constitute the Management Performance Standards.

If the City or the Arena Manager cannot agree on a substitute Comparative Facility, either party to this Arena Lease and Management Agreement may seek arbitration to select the substitute Comparable Facility most consistent with the standard of quality established under this Agreement.

In applying the Management Performance Standards to operation, management and customer service issues, due consideration shall be given to Glendale’s unique competitive market conditions, climate, topography and the age of the Arena Facility.

EXHIBIT “D”

Permitted Exceptions

(See Section 1.1)

“Permitted Exceptions” means (i) the Title Company’s standard exceptions set forth in its ALTA extended coverage title policy (Form 1992) and (ii) the exceptions on Schedule B (but not the requirements) typed in the final Second Amended Title Commitment prepared by Old Republic National Title Insurance Company dated June [___], 2012.

EXHIBIT “E”**Safety and Security Agreement**
(See Section 1.1)**SAFETY AND SECURITY AGREEMENT**

This Safety and Security Agreement (this “**Agreement**”) is dated as of _____, 2012 (the “**Effective Date**”), and is entered into by and among the City of Glendale, an Arizona municipal corporation (the “**City**”); and Arizona Hockey Arena Partners LLC, a Delaware limited liability company (“**Arena Manager**”).

RECITALS

- A. The City and the Arena Manager are parties to that certain Arena Lease and Management Agreement dated _____, 2012 (the “**Arena Management Agreement**”), which provides for the management and use of the Arena.
- B. The City and the Arena Manager desire to enter into this Agreement for the purposes of providing for the safety and security of visitors and patrons to the Arena and traffic control in and around the Arena during Events through the use of the services of Police Officers, Police Assistants and Paramedics (each as hereinafter defined and, collectively, the “**Public Safety Personnel**”).
- C. During Events, the City is willing to provide Public Safety Personnel on the terms and conditions set forth herein in order to assure public safety in and around the Arena and to respond to incidents requiring the response of Public Safety Personnel.

AGREEMENT

NOW THEREFORE, in consideration of the premises, covenants, agreements and obligations contained herein, the parties enter into this Agreement and agree as follows:

- 1. Definitions.** All capitalized terms shall have the meaning assigned to them in the Arena Management Agreement unless a definition of that term is otherwise specified herein.
- 2. Term of Agreement.** This Agreement shall commence on the Effective Date and shall continue through the term of the Arena Management Agreement.
- 3. Services.**
 - 3.1 Traffic Control.**
 - a. The City, through its Police Department, shall assign an on-duty Sergeant to supervise and coordinate traffic control services by Public Safety Personnel for each Event.
 - b. The City, through its Police Department and Transportation Department, shall assign on-duty police officers and on-duty civilian police assistants to provide traffic

control at Events and the police assistants working traffic control shall be under the direction of the police officers assigned to the Event.

(1) The number of police officers and police assistants assigned to an Event and the appropriate intersections will be determined by the City's Transportation Department's traffic and barricade plan for the Arena (the "**Traffic Control Plan**").

(2) The police officers and police assistants working an Event shall be responsible for erecting barricades as designated on the Traffic Control Plan.

c. The Arena Manager, with input from the Team for Hockey Events, may request amendments or temporary modifications to the Traffic Control Plan by submitting a written proposal to the Glendale Police Chief and Transportation Department Director, who may approve or deny the proposal in their sole and reasonable discretion; provided however, the on-duty Sergeant assigned to traffic control under the Traffic Control Plan may make immediate changes in the Traffic Control Plan at the time of or during an Event if, in his or her discretion, traffic conditions or other tactical needs warrant such changes.

3.2 Security.

a. The number of police officers assigned to provide security, including but not limited to liquor control, within the Arena Facility and areas immediately surrounding the Arena Facility during Events will be jointly determined on an event-by-event basis by the Police Department and the Arena Manager; provided however, that the City's determination of the need for Public Safety Personnel in order to adequately protect public safety is solely a City determination.

b. Nothing herein shall preclude the Arena Manager from employing or engaging private, non-sworn personnel safety employees ("**Private Security Personnel**") at the Arena; provided however, the Private Security Personnel must work in cooperation with the Public Safety Personnel and respond to the responsible requests of the Public Safety Personnel.

3.3 Medical Attention.

a. The City, through its Fire Department, will assign on-duty emergency medical services personnel ("**EMS Personnel**") in order to assure that emergency medical are available to patrons and employees at the Arena Facility during Events.

b. The number of EMS Personnel assigned will be jointly determined on an event-by-event basis by an authorized representative of the City's Fire Department and the Arena Manager; provided however, that the City's determination of the need for Public Safety Personnel in order to adequately protect public safety is solely a City determination..

4. Assignment of City Safety Personnel. The City shall select the Public Safety Personnel assigned to perform services for Events and assure the provision of appropriate equipment as necessary for their duties within the City's sole discretion.

5. Payment.

5.1 Annual Fee. In consideration for the services to be provided by the City under this Agreement, the Arena Manager will pay the City, on or before the first day of each Fiscal

Year, an annual fee in monthly installments totaling \$ _____ (the “**Annual Fee**”).

5.2 **Hourly Fee.** As additional consideration for such services, the Arena Manager will pay the City within 30 days of the receipt of an invoice the base hourly rates (i.e., regular hourly rates, not overtime rates), plus the City's share of any employment, FICA, or similar taxes related thereto, (collectively, the “**Hourly Fee**”) of the Public Safety Personnel for work performed for Events.

a. The Hourly Fee shall be a minimum of three hours for each such Public Safety Personnel working at each Event.

b. At the request of the Arena Manager, the City shall submit an invoice to the Arena Manager at the time of an Event when the Arena Manager requires such invoice to pass the cost of such services on to a third party.

5.3 The Annual Fee and the Hourly Fee shall be paid by the Arena Manager as an Operating Expense under the Arena Management Agreement.

6. Responsibilities of the Arena Manager.

6.1 The Arena Manager will provide a schedule of Events to the City promptly upon the preparation thereof and will promptly notify the City in writing of any changes thereto.

6.2 The Arena Manager will provide a barricade truck and trailer and the barricades necessary to implement the Traffic Control Plan in the immediate vicinity of the Arena.

6.2 The Arena Manager will be solely responsible for obtaining any reimbursement from any third party any agreed-upon share of the Annual Fee and the Hourly Fee, and any such agreement shall in no way affect the obligations of the Arena Manager to pay these fees to the City pursuant to the terms and conditions of this Agreement.

7. Joint Venture Disclaimer.

7.1 This Agreement is not intended to and will not constitute, create, give rise to or otherwise recognize a joint venture, partnership, or formal business association or organization of any kind between the parties hereto, and the rights and obligations of the parties hereto shall be only those expressly set forth in this Agreement.

7.2 No Public Safety Personnel shall be deemed an employee of the Arena Manager, and the Arena Manager shall have no obligations with respect to the City's merit system, retirement, or personnel rules applicable to Public Safety Personnel.

7.3 Except with respect to the Arena Manager's obligation to pay the Hourly Fee to the City to reimburse the City for certain of its costs, the City shall have total responsibility for all salaries, wages, bonuses, retirement benefits, tax withholding, workers' compensation benefits, occupational disease compensation, unemployment compensation, other employee benefits and taxes and premiums appurtenant thereto with respect to the Public Safety Personnel, and the City shall save and hold the Arena Manager harmless with respect thereto.

7.4 No Private Security Personnel or other person employed or engaged by the Arena Manager shall be deemed an employee of the City, the City shall have no obligations with respect to the Arena Manager's personnel rules applicable to Private Security Personnel.

7.5 The Arena Manager shall have total responsibility for all salaries, wages, bonuses, retirement benefits, tax withholding, workers' compensation benefits, occupational disease compensation, unemployment compensation, other employee benefits, and taxes and premiums with respect to the Private Security Personnel, and the Arena Manager shall save and hold the City harmless with respect thereto.

8. Indemnification. Each party to this Agreement (“**Indemnitor**”) shall have and hold harmless each of the other parties to this Agreement (“**Indemnitee**”), and its city council members and elected officials (if applicable), officers, agents, servants, and employees, from any and all claims, demands, suits, actions, proceedings, losses, costs and damages of every kind, including, but not limited to attorneys’ fees, which may be made or brought against the Indemnitee on account of any loss or damage to property of or for injury to or death of any person, to the extent that said loss, damage, injury or death is the result of any error or omission or negligent act of the Indemnitor, its officials, officers, agents, servants, employees, or any representatives for which the Indemnitor is legally liable (provided that the City (and not the Arena Manager) shall be legally liable for the Public Safety Personnel and the Arena Manager (and not the City) shall be legally liable for the Private Security Personnel), arising out of or incidental to the performance of this Agreement.

9. Conflicts of Interest. The Arena Manager understands and acknowledges that this Agreement is subject to cancellation without penalty or further obligation by the City pursuant to the provisions of A.R.S. § 3 8-511.

10. Notices

10.1 All notices, demands, disclosures, acknowledgments, consents, approvals, statements, requests, responses and invoices to be given under this Agreement shall be in writing, signed by the party or officer, agent or attorney of the party giving such notice, demand, disclosure, acknowledgment, consent, approval, statement, request, response and/or invoice, and shall be deemed effective (i) upon receipt if hand delivered or sent by overnight courier service; or (ii) upon delivery or the date of refusal if sent by the United States mail, postage prepaid, certified mail, return receipt requested, in either case addressed as follows:

To the Arena Manager: _____

Attn: _____

with copy to:

[local Arena Manager]
_____, Arizona 85_____

Attn: _____

To the City:

City Manager
City of Glendale
5850 West Glendale Avenue
Glendale, Arizona 85301

13.3 In the event any party breaches this Agreement and does not cure the breach within the time specified within this Section, the other party's sole remedy shall be an action at law for actual monetary damages, but not consequential or punitive damages.

14. Immigration Law Compliance.

14.1 The Arena Manager, on behalf of itself and any subcontractor, warrant, to the extent applicable under A.R.S. §41-4401, compliance with all federal immigration laws and regulations that relate to their employees as well as compliance with A.R.S. §23-214(A) which requires registration and participation with the E-Verify Program.

14.2 Any breach of warranty under this Section shall be considered a material breach of this Agreement and will be subject to penalties up to and including termination of this Agreement.

14.3 The City retains the legal right to inspect the papers of the Arena Manager or subcontractor employee who performs work under this Agreement to ensure that the Arena Manager or any subcontractor is compliant with the warranty under this Section.

14.4 The City may conduct random inspections, and upon the request of the City, the Arena Manager will provide copies of papers and records of the Arena Manager demonstrating continued compliance with the warranty under this Section.

14.5 The Arena Manager agrees to keep papers and records available for inspection by the City during normal business hours and will cooperate with the City in the exercise of its statutory duties and not deny access to their business premises or applicable papers or records for the purposes of enforcement of this Section.

14.6 The Arena Manager agrees to incorporate into any subcontracts under this Agreement the same obligations imposed upon the Arena Manager and expressly accrue those obligations directly to the benefit of the City. The Arena Manager also agree to require any subcontractor to incorporate into each of its own subcontracts under this Agreement the same obligations above and expressly accrue those obligations to the benefit of the City.

14.7 The Arena Manager's warranty and obligations under this Section to the City are continuing throughout the term of this Agreement or until such time as the City determines, in its sole discretion, that Arizona law has been modified in that compliance with this Section is no longer a requirement.

14.8 The "E-Verify Program" above means the employment verification program administered by the United States Department of Homeland Security, the Social Security Administration, or any successor program.

15. Iran and Sudan Prohibitions. The Arena Manager certifies under A.R.S. §§ 35-391 *et seq.* and 35-393 *et seq.*, (the "Act") that neither have, and during the term of this Agreement will not have, "scrutinized" business operations, as defined By the Act, in the countries of Sudan or Iran.

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties have hereunto set their hands to be effective as of the Effective Date.

ARENA MANAGER:

HOCKEY ARENA PARTNERS LLC, a Delaware limited liability company

By: _____

Name:

Its:

CITY:

CITY OF GLENDALE, an Arizona municipal corporation

By: _____

Name: _____

Its: _____

ATTEST:

Pam Hanna, City Clerk

APPROVED AS TO FORM:

Craig D. Tindall, City Attorney

EXHIBIT “F”

Scheduling Procedures

(See Section 1.1)

1. All Hockey Events, excepting regular practices, shall have priority over all other Events and other activities scheduled or proposed to occur at the Arena Facility.
2. The Arena Manager shall provide the City (i) a schedule of Hockey Events (other than Playoff Games and any Warm-up Session(s) not more than five (5) Business Days following the finalization of such schedule and (ii) a schedule of Playoff Games and any Warm-up Session(s) relating thereto not more than two (2) Business Days following the finalization of such schedule.
3. The City will be provided a reasonable opportunity to schedule City Sponsored Events with full recognition of the Arena Manager’s need to schedule and reserve dates as described in the preceding two sentences.
4. Unforeseen scheduling needs of the Arena Manager, the Team, or the NHL may cause changes to the aforementioned schedules after the delivery thereof to the City, and the Arena Manager shall have the exclusive right to make such changes and shall provide the City notice of any such changes as soon as reasonably practicable.
5. The Arena Manager (and its designees) may schedule additional Team practices and media events, which are not limited to the Team Exclusive Use Areas, on any dates that remain open twenty-one (21) days in advance of each such date.

EXHIBIT "G"

Form Annual Budget

(See Section ___)

EXHIBIT "G"

Form Annual Budget

(See Section ___)

Arena Manager
Annual Budget
For the Fiscal Year Ending June 30,_____

PROPOSED

REVENUE

Rental and Co-pro. Revenue
Other Revenue
Reimbursed Labor
Reimbursed Expenses

Total Revenue

EXPENSES

Event Labor
Event Expenses

Total Event Expenses

Non-Event Expenses

Event Services
Guest Services
Suite and Hospitality
Security
Parking
Housekeeping
Facilities/Engineering
Operations/Conversions
Booking and Marketing
Box Office
Productions
Finance and Administration
Insurance
Information Technology
Human Resources
Legal

Total Non-Event Expenses

Capital Expenditures

Total Expenses

OPERATING LOSS

Arena Manager
Sources and Uses of Cash
For the Fiscal Year Ending June 30, _____

Sources of Cash from Operations

Operating revenue

Less non-cash revenue items:

Coyotes reimbursed labor

Sting reimbursed labor

Total Sources of Cash from Operations

Uses of Cash in Operations

Event expenses

Non-event expenses

Capital expenditures

less non-cash expenses

Total Uses of Cash in Operations

Net Cash Requirement

Arena Manager
ANNUAL DEPARTMENT BUDGET
For the Fiscal Year Ending June 30, _____

Event Services
Guest Services
Suite and Hospitality
Security
Parking
Housekeeping
Facilities/Engineering
Operations/Conversions
Bookings and Marketing
Box Office
Productions
Arena Management

Total All Departments

EVENT SERVICES - 100

6300 FT Salary - Event Services
6500 SSI - Event Services
6540 MED - Event Services
6600 WC - Event Services
6700 FUTA - Event Services
6740 SUI - Event Services
6800 MED/DENTAL - Event Services
6910 401K - Event Services
6840 STD/LTD/ADD/LIFE - Event Services

Total Salaries and Benefits

Other Expenses

8630 Repairs & Maintenance

Total Other Expenses

Total Event Services

Guest Services - 110

6305 FT Salary
6502 SSI
6542 MED
6602 WC

6702 FUTA
6742 SUI
6802 MED/DENTAL/LIFE
6912 401K
6842 STD/LTD/ADD

Total Salaries and Benefits

Other Expenses

9100 Operating Supplies
9202 Uniforms/Laundry
9252 Training Expense

Total Other Expenses

Total Guest Services

Suites and Hospitality - 120

Other Expenses

9206 Uniforms/Laundry
9254 Training Expense
9278 Business Conference Expense

Total Other Expenses

Total Suites and Hospitality

Security - 130

6315 FT Salary - Security
6506 SSI - Security
6546 MED - Security
6606 WC - Security
6706 FUTA - Security
6746 SUI - Security
6806 MED/DENTAL/LIFE - Security
6916 401K - Security
6846 STD/LTD/ADD - Security

Total Salaries and Benefits

6020 NE. PT Labor - Facility Security

6020 - 6220 NE PT Wages and Taxes

Other Expenses

- 8060 Office Supplies
- 8565 City of Glendale Annual Police Fee
- 8631 Repair and Maintenance
- 9102 Medical Supplies
- 9104 Operating Supplies
- 9210 Uniforms/Laundry
- 9256 Training Expense
- 9280 Business Conference Expense
- 9315 Travel/Lodging/Other

Total Other Expenses

Total Security

PARKING - 140

- 6325 FT Salary - Parking
- 6510 SSI - Parking
- 6550 MED - Parking
- 6610 WC - Parking
- 6710 FUTA - Parking
- 6750 SUI - Parking
- 6810 MED/DENTAL/LIFE - Parking
- 6920 401K - Parking
- 6850 STD/LTD/ADD - Parking

Total Salaries and Benefits

Other Expenses

- 8065 Office Supplies
- 9212 Uniforms/Laundry
- 9090 Light Towers/Fuel
- 9258 Training Expense
- 9281 Business Conference Expense
- 8655 Repair and Maintenance
- 8703 Licenses and Fees
- 8203 Dues and Subscriptions
- 9320 Travel/Lodging/Other
- 9410 Meals and Entertainment

Total Other Expenses

Total Parking

Housekeeping - 210

6335 FT Salary - Housekeeping
6514 SSI - Housekeeping
6554 MED - Housekeeping
6614 WC - Housekeeping
6714 FUTA - Housekeeping
6754 SUI - Housekeeping
6814 MED/DENTAL/LIFE - Housekeeping
6924 401K - Housekeeping
6854 STD/LTD/ADD - Housekeeping

Total Salaries and Benefits

6035 NE. PT Labor - Housekeeping

6035 - 6235 NE PT Wages and Taxes

Other Expenses

8600 Contracted Services
8602 Hskping Equip. R & M
9108 Operating Supplies
9214 Uniforms/Laundry

Total Other Expenses

Total Housekeeping

Facilities/Engineering - 220

6340 FT Salary - Facilities/Engineering
6410 FT Salary OT - Facilities/Engineering
6516 SSI - Facilities/Engineering
6556 MED - Facilities/Engineering
6616 WC - Facilities/Engineering
6716 FUTA - Facilities/Engineering
6756 SUI - Facilities/Engineering
6816 MED/DENTAL/LIFE - Facilities/Engineering
6926 401K - Facilities/Engineering
6856 STD/LTD/ADD - Facilities/Engineering

Total Salaries and Benefits

6040 NE. PT Labor - Facilities/Eng.

6040 - 6240 NE PT Wages and Taxes

Other Expenses

8610 Contracted Services
8612 Landscaping

8614 General Repair and Maint.
8705 Licenses & Permits
8880 Utilities - Electric
8882 Utilities - Gas
8884 Utilities - Water
9055 Light tower fuel / Vehicle gas
9065 Equipment Rental
9110 Operating Supplies
9114 Hockey Supplies
9216 Uniforms/Laundry
9262 Training Expense
9326 Travel/Lodging/Other
9435 Meals and Entertainment

Total Other Expenses

Total Facilities/Engineering

Operations/Conversions - 230

6345 FT Salary - Operations/Conversions
6518 SSI - Operations
6558 MED - Operations
6618 WC - Operations
6718 FUTA - Operations
6758 SUI - Operations
6818 MED/DENTAL/LIFE - Operations
6928 401K - Operations
6858 STD/LTD/ADD - Operations

Total Salaries and Benefits

6045 NE. PT Labor - Operations

6045 - 6245 NE PT Wages and Taxes

Other Expenses

8620 Contracted Services
8622 Repair and Maintenance
9070 Equipment Rental
9112 Operating Supplies
9218 Uniforms/Laundry
9264 Training Expense
9327 Travel/Lodging/Other
9440 Meals and Entertainment

Total Other Expenses

Total Operations/Conversions

Booking and Marketing - 310

6355 FT Salary - Bookings
6522 SSI - Bookings
6562 MED - Bookings
6622 WC - Bookings
6722 FUTA - Bookings
6762 SUI - Bookings
6822 MED/DENTAL/LIFE - Bookings
6932 401K - Bookings
6862 STD/LTD/ADD - Bookings

Total Salaries and Benefits

Other Expenses

Booking

8215 Membshp Fees/Dues & Subscriptions
8429 Business Gifts
9286 Business Conference Expense
9350 Travel/Lodging/Other
9450 Meals and Entertainment

Marketing

8005 Postage
8120 Printing
8210 Membshp Fees/Dues & Subscriptions
8452 Marketing
8428 Business Gifts and Awards
8430 Website Costs
8432 Public Relations
8450 Design
8570 Photography
9284 Business Conference Expense
9345 Travel/Lodging/Other
9445 Meals and Entertainment

Total Other Expenses

Total Booking and Marketing

BOX OFFICE - 400

6360 FT Salary - Box Office
6524 SSI - Box Office
6564 MED - Box Office
6624 WC - Box Office
6724 FUTA - Box Office
6764 SUI - Box Office
6824 MED/DENTAL/LIFE - Box Office
6934 401K - Box Office
6864 STD/LTD/ADD - Box Office

Total Salaries and Benefits

6060 NE. PT Labor - Box Office

6060 - 6260 NE PT Wages and Taxes

Other Expenses

8010 Postage
8125 Printing
8220 Membshp Fees/Dues & Subscriptions
8648 Equip. Repair and Maint.
8860 Armored Car
9118 Operating Supplies
9225 Uniforms
9268 Training Expense
9288 Business Conference Expense
9355 Travel/Lodging/Other
9455 Meals and Entertainment

Total Other Expenses

Total Box Office

PRODUCTIONS - 500

Other Expenses

8225 Membshp Fees/Dues & Subscriptions
8650 Equip. Repair and Maint.
9085 Equipment Rental
9120 Operating Supplies
9121 Small Tools
9220 Uniforms
9290 Business Conference Expense
9360 Travel/Lodging/Other
9460 Meals and Entertainment

Total Other Expenses

Total Productions

Arena Management - 650

6376 FT Salary
6531 SSI
6571 MED
6631 WC
6731 FUTA

6771 SUI
6831 MED/DENTAL/LIFE
6942 401K
6871 Life Insurance

Total Salaries and Benefits

Other Expenses

9295 Business Conferences
9371 Travel and Lodging
9471 Meals and Entertainment

Total Other Expenses

Total Arena Management

Arena Manager
ANNUAL EVENT BUDGET
For the Fiscal Year Ending June 30, _____

PROPOSED

REVENUE

4010 Arena Rental Fees
4450 Individual Suite Rentals
4030 Arena Share of Promoter Profit
Ticket and Rental Taxes

Total Rental and Co-Pro. Ticket Revenue

Other Revenue

4100 Concessions

Total Concessions Revenue

4200 Merchandise Revenue
4420 Facility Fee
4300 TM Convenience charge %
4400 Visiting Team Bldg. Brdcst Acc
4440 Event Sponsorships

Total Concessions and Other Revenue

Reimbursed Labor

4570 Reimbursed Labor - Coyotes Games
4575 Reimbursed Labor - Sting Games
4545 Reimbursed Labor - Production and Rig
Reimbursed Labor - Other Events

4500 - 4595 Reimbursed Labor

Reimbursed Expenses

4610 Catering - Event
4625 Advertising - Print
4825 Credit Card Fees
Miscellaneous Reimbursed Expenses

4500 - 4905 Reimbursed Expenses

Total Revenue

Expenses

PROPOSED

Event Labor

Front of House (GSRs, Suite Attend., Box Office)
Medical, Event Security & Police
5045 E. PT Labor - Production
5049 - 5055 Housekeeping
5065 E. PT Labor - Conversion Crew
5070 E. PT Labor - Facilities/Eng.
5075 E. PT Labor - Parking Attendant
5398 Contrd Srvs - Production

Total Event Labor

Event Expenses

7001 Promoter Revenue Sharing Expense
7010 Catering - Event
7025 Advertising

Miscellaneous Show Expenses

Total Miscellaneous Show Expenses

Total Event Expenses

Total Expenses

Net Event Income

EXHIBIT “H”**INSURANCE REQUIRED OF ARENA MANAGER****(See Section 13.1)**

Definitions. Capitalized terms that are used but not otherwise defined in this Exhibit “H” (this “**Exhibit**”) shall have the meanings set forth in Section 1.1 of the Arena Lease and Management Agreement (the “**Arena Management Agreement**”) to which this Exhibit is attached.

1. The Arena Manager shall maintain the following insurance coverages during the Agreement Term, or for such additional time as required in any section below:

- Statutory Workers’ Compensation
- Commercial General Liability (including Liquor Liability)
- Commercial Automobile Liability
- Excess Liability
- All Risk Property and Boiler & Machinery

The above coverages shall comply with the following:

a. **Statutory Workers’ Compensation:** The Arena Manager shall maintain statutory workers’ compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction over all employees of the Arena Manager engaged in the performance of work relating to management of the Arena.

b. **Commercial General Liability:** The Arena Manager shall maintain commercial general liability insurance covering all operations by or on behalf of the Arena Manager on an occurrence basis insuring against bodily injury, broad form property damage (including completed operations), personal injury (including coverage for contractual and employee acts), blanket contractual, products and completed operations. Further, the policy shall include coverage for liquor liability and the hazards commonly referred to as XCU (explosion, collapse, and underground). The policy shall contain severability of interest provisions and shall be at least as broad as Insurance Service Office (ISO) form 1986. The limits of commercial general liability insurance required of the Arena Manager shall be no less than the following:

- \$1,000,000 bodily injury and property damage each occurrence
- \$2,000,000 general aggregate (annual)
- \$2,000,000 products/completed operations aggregate, and
- \$1,000,000 personal and advertising injury

In the event the commercial general liability insurance policy is written on a “claims-made” basis, the retroactive date shall be no later than the Agreement Effective

Date. Coverage shall extend for at least five (5) years after termination of the Arena Management Agreement and shall be evidenced by annual certificates of insurance.

c. **Commercial Automobile Liability:** The Arena Manager shall maintain commercial automobile liability insurance with respect to all vehicles used in the performance of work at the Arena and away from the Arena, whether owned, non-owned, borrowed, leased or hired, with limits no less than the following:

\$1,000,000 combined single limit for bodily injury and property damage.

If hazardous materials or waste are to be transported, the commercial automobile liability insurance shall be endorsed with the MCS-90 endorsement in accordance with Applicable Law.

d. **Excess Liability:** The Arena Manager shall maintain excess liability insurance on an occurrence basis, insuring against bodily injury, personal injury, and property damage, and all other coverages as specified in Sections 1.b (commercial general liability) and 1.c (automobile liability) of this Exhibit over and above the limits required for each such coverage. The limits of excess liability insurance shall be no less than the following:

\$25,000,000 each occurrence

\$25,000,000 annual aggregate

\$25,000,000 products / completed operations (annual).

Total per occurrence limits of \$25,000,000 may be satisfied in any combination of primary and excess policies of insurance. Any applicable retention shall be the sole responsibility of the Arena Manager.

e. **All Risk Property:** The Arena Manager shall maintain all risk property and boiler & machinery insurance to insure against physical loss or damage to the Arena (including any personal property owned by the City and used in connection with the Arena) and all personal property of the Arena Manager while at the Arena. Such coverage shall be written on a replacement cost basis, include flood and earthquake coverage, and shall not be subject to co-insurance.

2. The Arena Manager shall cause all tenants and concessionaires, other than the Team, to acquire and maintain, during the full term of each such tenant's or concessionaire's contractual relationship, all insurance coverages required of the Team as set forth in Exhibit "O" to the Arena Management Agreement. Certificates of insurance evidencing the required coverages, conditions and limits are in full force and effect shall be provided by each such tenant or concessionaire to the Arena Manager.

EXHIBIT “I”**INSURANCE REQUIRED OF CITY**

(See Section 13.2)

Definitions. Capitalized terms that are used but not otherwise defined in this Exhibit “I” (this “**Exhibit**”) shall have the meanings set forth in Section 1.1 of the Arena Lease and Management Agreement (the “**Arena Management Agreement**”) to which this Exhibit is attached.

1. The City shall maintain the following insurance coverages during the Agreement Term, or for such additional time as required in any section below:

- Statutory Workers’ Compensation
- Commercial General Liability (including Liquor Liability)
- Commercial Automobile Liability
- Excess Liability

The above coverages shall comply with the following:

a. **Statutory Workers’ Compensation:** The City shall maintain statutory workers’ compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction over all employees of the City engaged in the performance of work relating to the Arena.

b. **Commercial General Liability:** The City shall maintain commercial general liability insurance covering all operations by or on behalf of the City on an occurrence basis insuring against bodily injury, broad form property damage (including completed operations), personal injury (including coverage for contractual and employee acts), blanket contractual, products and completed operations. Further, the policy shall include coverage for liquor liability and the hazards commonly referred to as XCU (explosion, collapse, and underground). The policy shall contain severability of interest provisions and shall be at least as broad as Insurance Service Office (ISO) form 1986. The limits of liability insurance required of the City shall be no less than the following:

- \$1,000,000 bodily injury and property damage each occurrence
- \$2,000,000 general aggregate (annual)
- \$2,000,000 products/completed operations aggregate, and
- \$1,000,000 personal and advertising injury

In the event the commercial general liability insurance policy is written on a “claims-made” basis, the retroactive date shall be no later than the Agreement Effective Date. Coverage shall extend for at least five (5) years after termination of the Arena Management Agreement and shall be evidenced by annual certificates of insurance.

c. **Commercial Automobile Liability.** The City shall maintain commercial automobile liability insurance with respect to all vehicles used in the performance of work at the Arena and away from the Arena, whether owned, non-owned, borrowed, leased or hired, with limits no less than the following:

\$1,000,000 combined single limit for bodily injury and property damage.

If hazardous materials or waste are to be transported, the commercial automobile liability insurance shall be endorsed with the MCS-90 endorsement in accordance with Applicable Law.

d. **Self Insurance:** The City may satisfy its requirements under Sections 1.a, 1.b and 1.c above through its established program of self insurance, as authorized by its City Council. The City shall provide all other parties with a certificate of self insurance for the required amounts.

EXHIBIT “J”**INSURANCE REQUIRED OF TEAM****(See Section 13.3)**

Definitions. Capitalized terms that are used but not otherwise defined in this Exhibit “J” (this “**Exhibit**”) shall have the meanings set forth in Section 1.1 of the Arena Lease and Management Agreement (the “**Arena Management Agreement**”) to which this Exhibit is attached.

1. The Team shall maintain the following insurance coverages during the Agreement Term, or for such additional time as required in any section below:

- Statutory Workers’ Compensation
- Commercial General Liability (including Liquor Liability)
- Commercial Automobile Liability
- Excess Liability
- All Risk Property

The above coverages shall comply with the following:

a. **Statutory Workers’ Compensation:** The Team shall maintain statutory workers’ compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction over all employees of the Team engaged in the performance of work relating to the Team.

b. **Commercial General Liability:** The Team shall maintain commercial general liability insurance covering all operations by or on behalf of the Team on an occurrence basis insuring against bodily injury, broad form property damage (including completed operations), personal injury (including coverage for contractual and employee acts), blanket contractual, products and completed operations. Further, the policy shall include coverage for liquor liability and the hazards commonly referred to as XCU (explosion, collapse, and underground). The policy shall contain severability of interest provisions and shall be at least as broad as Insurance Service Office (ISO) form 1986. The limits of commercial general liability insurance required of the Team shall be no less than the following:

- \$1,000,000 bodily injury and property damage each occurrence
- \$2,000,000 general aggregate (annual)
- \$2,000,000 products / completed operations aggregate, and
- \$1,000,000 personal and advertising injury

In the event the commercial general liability insurance policy is written on a “claims-made” basis, the retroactive date shall be no later than the Agreement Effective

Date. Coverage shall extend for at least five (5) years after termination of the Arena Management Agreement and shall be evidenced by annual certificates of insurance.

c. **Commercial Automobile Liability:** The Team shall maintain commercial automobile liability insurance with respect to all vehicles used in the performance of work at the Arena and away from the Arena, whether owned, non-owned, borrowed, leased or hired, with limits no less than the following:

\$1,000,000 combined single limit for bodily injury and property damage

If hazardous materials or waste are to be transported, the commercial automobile liability insurance shall be endorsed with the MCS-90 endorsement in accordance with Applicable Law.

d. **Excess Liability:** The Team shall maintain excess liability insurance on an occurrence basis, insuring against bodily injury, personal injury, and property damage, and all other coverages as specified in Sections 1.b (commercial general liability) and 1.c (automobile liability) of this Exhibit over and above the limits required for each such coverage. The limits of excess liability insurance shall be no less than the following:

\$10,000,000 each occurrence

\$10,000,000 annual aggregate

\$10,000,000 products/completed operations (annual)

Total per occurrence limits of \$10,000,000 may be satisfied in any combination of primary and excess policies of insurance. Any applicable retention shall be the sole responsibility of the Team.

e. **All Risk Property:** The Team shall maintain all risk property insurance to insure against physical loss or damage to all personal property of the Team while at the Arena. Such coverage will be written on a replacement cost basis, include flood and earthquake coverage and shall not be subject to co-insurance.

EXHIBIT K

MEMORANDUM OF AGREEMENT

When Recorded, Return To:

Attn: _____

MEMORANDUM OF AGREEMENT

THIS MEMORANDUM OF AGREEMENT (this “**Memorandum**”) is made as of _____, 2012, by and among the City of Glendale, an Arizona municipal corporation (the “**City**”); Arizona Hockey Arena Partners LLC, a Delaware limited liability company (the “**Arena Manager**”); Arizona Hockey Partners LLC, a Delaware limited liability company (the “**Team Owner**”).

Notice is hereby given that the City, the Arena Manager and the Team Owner have entered into that certain Arena Lease and Management Agreement dated as of _____, 2012 (the “**Arena Management Agreement**”) with respect to that certain real property more particularly described on Schedule “1” attached hereto. Capitalized terms that are used but not otherwise defined in this Memorandum shall have the meanings set forth in the Arena Management Agreement.

The Arena Management Agreement has a Term that continues until the 30th day after the last day of the NHL hockey season commencing in 2033, unless terminated earlier in accordance with the provisions thereof.

The purpose of this Memorandum is to give record notice of the Arena Management Agreement to third parties. The Arena Management Agreement contains and sets forth other important terms and provisions which are incorporated herein by reference, including, without limitation, provisions pertaining to the leasehold interests of the Arena Manager and the Team Owner in certain portions of such real property. This Memorandum shall not limit, expand, supplement or modify the Arena Management Agreement, and in the event of any conflict between the terms of this Memorandum and the Arena Management Agreement, the Arena Management Agreement shall, in all instances, control.

Additionally, under the Arena Management Agreement, the City has irrevocably granted to the Arena Manager, at such times set forth in the Arena Management Agreement, the sole and exclusive option to purchase the Arena Facility at a price to be determined in accordance with the terms of the Arena Management Agreement and upon such other terms as shall be agreed between the City and the Arena Manager.

CITY:

CITY OF GLENDALE, an Arizona municipal corporation

By: _____

Name: _____

Its: _____

ATTEST:

Pam Hanna, City Clerk

APPROVED AS TO FORM:

Craig D. Tindall, City Attorney

STATE OF ARIZONA)

) ss.

COUNTY OF MARICOPA)

On this ___ day of _____, 2012, before me, the undersigned officer, personally appeared _____, the _____ of the CITY OF GLENDALE, an Arizona municipal corporation, and he, in such capacity, being authorized so to do, executed the foregoing instrument for the purposes therein contained on behalf of that entity.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

NOTARY SEAL:

SCHEDULE 1

Legal Description

EXHIBIT “L”

Current Renewal and Replacement Schedule
(See Section 11.2)

Glendale Arena																																		
Renewal and Replacement Schedule																																		
Scheduled Funding																																		
Costs in Year 1 Dollars (000s)																																		
Description	Notes	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	Arena Total		
Plumbing																																		
Domestic Water Pumps									10								10								10							30		
Sewage ejector pumps									10								10								10							30		
Storm water ejector pumps																						20										20		
Water meters																																-		
Backflow preventor																2										3						5		
Dom water heat exch									50								50								50							150		
Piping systems													25												25							50		
Electric storage / instantaneous water heaters																										18						36		
Subtotal Plumbing																																321		
HVAC																																		
Chillers																																		
Central Plant Chillers																																		
Modular cooling units/compnts																																		
Chiller controllers																																		
Pumps																																		
Chilled water																	25								25								75	
Cond water																	25								25								75	
Heating hot water									5						5														5				20	
Condensate																																		
Air Handling Units																																		
Built up Units:																																		
Coils																	55									55							165	
Fans																																	75	
Fan motors																	35									35							105	
Fan Shafts/sheaves, etc																																		
Return AHU's																																		
Fans																																		
Fan motors																																		
Fan Shafts/sheaves, etc																																		
Fan Coils																																		
Fans																	50									50							200	
Fan motors																	50									50							200	
Coils																																		
Fan Shafts/sheaves, etc																																		
Piping System																																		
Pipe replacement																																		
Ice plant and refrigerator heat exchangers																																		
BMS																																		
System digital controller																																		
Unitary digital controllers																																		
System. Software upgrades																																		
Other																																		
All valves > 4"																																		
Variable speed drives																																		
H.P. gas regulators																																		
Chem treatment system																																		
Fuel oil tanks																																		
Fuel oil pumps																																		
Cooling towers																																		
Tower motors, fans, drives																																		
Fans, shafts, sheaves on fans > 5,000 cfm																																		
Dampers > 24"x24"																																		
Expansion tanks																																		
Collection tanks																																		

Costs in Year 1 Dollars (000s)	Notes	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	Total		
Filters																																-		
Insulation Replacement																																	-	
Subtotal HVAC																																	1,888	
Fire Protection																																	-	
Backflow assembly															5														5			10		
Dry pipe compressors																																	-	
Fire pumps											5					5						25											35	
Automatic transfer switches																																	-	
Jockey pumps																	5																5	
Jockey pump controller																																	-	
Main fire alarm control panel																25															25		50	
System software upgrades											7																						23	
Fire alarm system, replacement											10																				10		70	
Fire Pump Controller, flow switches and sprinkler heads																	20														20		40	
Pressure Reducing Valves						5					5						5										5				5		30	
Subtotal Fire Protection																																	263	
Electrical system																																	-	
Switchboards > 200 amps																12															12		24	
Dist. Panels > 200 amps																10															10		20	
Transformers 12KVA																										79	79	79	80	79	79		475	
Busway replacement																																	-	
Fuses > 200 amp																																	-	
Motor control centers													12														12						24	
Motor starters . 200 amps																																	-	
Automatic transfer switches																																	-	
Sports Lighting																	75														75		150	
Emergency gen system																																	-	
Lighting control sys replcmt											5					5											5			5		20		
Arena light control main comp																																	-	
Public light control main comp																																	-	
Electric motors . 10hp																																	-	
Control Systems																																	-	
Theatrical & event light fixture replacement																																	50	
Theatrical & event light control system replacement																																	-	
Spotlights																																	-	
Subtotal Electrical																																	763	
Security System																																		-
Cameras																	174																174	
Main security system replcmt																																	-	
Access control & alarm monitoring processor																																	-	
Comm center control station																																	-	
CCTV matrix switcher																	7														8		15	
CCTV video multiplexors																	7														8		15	
Subtotal Security System																																	204	
Sound System																																		-
Main mixing console						10					10					10											10				10		60	
Amplifier control system																																	-	
Digital signal process system																																	-	
Auxiliary mixing consoles																																	-	
Peak Limiters																																	-	
Parametric equalizers																																	-	
Power amplifiers > 1000 watts						10					10					10											10				10		60	
Speaker clusters																																	-	
Speaker cluster rigging																																	-	
Assist Listening system																																	-	
Intercom system main station																																	-	
Subtotal Sound System																																	120	

Costs in Year 1 Dollars (000s)		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	Total	
Description	Notes																																
Vertical Transportation																																	
Elevators																					500											500	
Geared traction machines																																	
Motors, controllers																																	
Sheaves																																	
Power conversion unit																																	
Individual car/group controller																																	
Hoist/govnr ropes																																	
Door operator assembly																																	
Car control panel unit																																	
Pump units																																	
Main computer control system																																	
Other components, misc																																	
Escalators																						600										600	
Drive Machines																																	
Drive controllers																																	
Drive sprockets																																	
Idler sprocket																																	
Deck board, step chains, misc																																	
Subtotal Vert. Transportation																																	1,100
Building Envelope																																	
Roof Membrane																		1,000															1,000
Exterior Wall								10						10	100							10							10	50		190	
Subtotal Building Envelope																																	1,190
House Reduction/curtainwall drape & rigging																																	
Drapes & rigging																										125							125
Subtotal Drapes & Rigging																																	125
Seating systems																																	
Fixed seats/components																300										400							700
Retractable seats/components																						500											500
Retractable platforms/comp																																	
Portable seating platforms																						350											350
Portable folding chairs																																	
Subtotal Seating Systems																																	1,550
Ice Floor system																																	
Refrigerat'n machines/pumps									75								75									75							225
Cooling towers																																	
Controllers																																	
Brine/glycol piping																																	
Floor repairs																																	
Chem treatment system																																	
Water purification system																																	
Heat exchangers									30								30									30							90
Valves > 4"																																	
Dasher boards									90								90										90						270
Subtotal Ice Floor System																																	585
Basketball floors																																	
Basketball floor - event											5																			5			15
Subtotal Basketball floors																																	15
Flooring																																	
Floor Treatment, carpets, etc								150			50			150			50					150				50			150				750
Upper Concouse VCT												123													123								246
Subtotal Flooring																																	996

Costs in Year 1 Dollars (000s)																																Total
Description	Notes	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	Total
Scoreboards/Video boards/message boards/ad panels																																
Hoist system																						25										25
Hoist control system																																
Scoreboard control system																																
Video/audio amps & controllers				5			5			5			5			5			5				5		4,000		5			5		50
Video/visual display modules																																4,000
Scoreboards, main & auxiliary																																
Subtotal Scoreboards, etc																																4,075
Window & Glazing systems																																
Glass replacement																																
Subtotal Window & Glazing																																
Other																																
Distributed TV System																																
Furniture						10		12						13			10						12						13			50
Suite Furniture											10																10				10	50
Televisions													25																			
Concession Kitchen Equipment												160	160	160	160	160	160	160	160	160	160	160	160	160	160	160	160	160	160	160	160	2,400
Operations Equipment								250																						250		1,000
Team Equipment																																
Parking Lot						150					150					150							400									1,000
Subtotal Other																																4,600
Contingency																																
Glass replacement																																
Subtotal Contingency																																
TOTAL COST																																
Inflation adjusted																																
Interest Rate		0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	
Inflation Rate		0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	
Deposit, before interest		49	50	166	287	288	355	400	395	321	516	801	968	1,277	1,305	1,171	2,018	2,048	1,694	1,686	3,722	2,978	2,774	2,750	2,949	894	656	617	575	307	264	34,284
Interest earned		-	2	5	13	27	30	47	38	28	43	40	69	90	141	158	116	164	162	227	296	170	258	381	501	124	43	66	86	48	53	3,428
Annual Deposit, net of earned interest		49	48	161	274	261	325	353	356	293	473	761	899	1,187	1,164	1,013	1,902	1,884	1,532	1,459	3,426	2,808	2,516	2,369	2,448	770	613	551	489	259	212	30,856
EOY Balance w/interest		49	100	260	547	598	948	770	551	866	809	1,380	1,796	2,830	3,153	2,327	3,280	3,231	4,539	5,916	3,404	5,167	7,615	10,019	2,478	859	1,320	1,729	965	1,058	-	



	Team	City	Arbitration
Total Cost Basis	404	1,049	645
Adjusted for Inflation	640	1,461	1,143
Net of Interest Funding Amount			1,029

NONCOMPETITION AND NON-RELOCATION AGREEMENT

This Noncompetition and Non-Relocation Agreement (this “**Agreement**”) is entered into as of _____, 2012 (the “**Effective Date**”), by and between the City Of Glendale, an Arizona municipal corporation (the “**City**”), Arizona Hockey Partners LLC, a Delaware limited liability company (the “**Team Owner**”), and Arizona Hockey Arena Partners LLC, a Delaware limited liability company (the “**Arena Manager**”).

RECITALS

A. Upon the closing of a purchase by the Team Owner from NHLK Coyotes Holdings, LLC of all of the membership interests in Coyotes Newco, LLC (the NHL-Controlled entity currently holding all of the player contracts, the Franchise, and other assets relating to the Team) pursuant to a purchase agreement to be negotiated between the Team Owner, the NHL and NHL Coyotes Holdings, LLC (the “**NHL Purchase Agreement**”), the Team Owner will be the owner of the Franchise for the operation of the NHL hockey team currently bearing the designation “Phoenix Coyotes” (the “**Team**”) and the Team will play its Home Games at the Arena Facility, subject to the terms and conditions set forth in this Agreement and the terms of the Arena Lease and Management Agreement; and

B. Team Owner acknowledges that it will derive a substantial benefit from the use of the Arena Facility and has agreed to enter into this Agreement.

AGREEMENT

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 City, the Arena Manager and the Team Owner agree as follows:

1. DEFINITIONS. Capitalized terms used and not otherwise defined herein shall have the respective meanings ascribed to them in the Arena Lease and Management Agreement. The following terms as used herein shall have the following meanings:

“**Arena Lease and Management Agreement**” means the Arena Lease and Management Agreement, dated as of _____, 2012, by and among the City, the Team Owner and the Arena Manager, as amended from time to time.

“**NHL Rules**” means the NHL constitution, as amended from time to time, and all then applicable NHL policies, procedures, provisions, rules, regulations, by-laws, articles, contracts and directives that govern the rights, duties, privileges and obligations of members of the NHL.

2. NONCOMPETITION.

2.1 During the Term, the City agrees with the Team Owner and the Arena Manager that it shall not directly or indirectly, other than in the exercise of the City’s governmental,

legislative, judicial, or regulatory powers, own, manage, operate, control, finance, sponsor, develop, provide City-owned land for or in any other way participate, except to exercise its governmental authority and police powers, in any indoor or outdoor sports, entertainment or multi-use facility that either (i) is used by any professional major or minor hockey league or team; or (ii) has an attendance capacity in excess of 5,000 seats, is located within the City of Glendale, Arizona and is a facility to which the general public is invited, with or without charge, for concerts, sports, entertainment and other events of the kind typically booked at arenas comparable to the Arena Facility in the ordinary course of operations thereof.

2.2 Notwithstanding the foregoing, however, the City may do the above with respect to:

- (a) The Arizona Sports and Tourism Authority multi-purpose stadium;
- (b) Any Cactus League or Minor League baseball facility;
- (c) All parks and open areas not designed or used primarily for events that compete with Events;
- (d) Aquatic facilities for water sport events;
- (e) Any facility within the City that is in existence or for which construction has commenced as of the date of the Effective Date;
- (f) Any convention facility or civic center;
- (g) Any performing arts facility with a seating capacity of 2,000 or less;
- (h) Any amateur athletic training and exhibition facility that has an attendance capacity not in excess of 5,000 permanent, fixed seats; and
- (i) Any other facility that does not book events that compete with the Arena Facility.

3. NON-RELOCATION OBLIGATIONS.

3.1 Team Owner. During the Term, and except as specifically provided in this Section:

- (a) The Team Owner shall maintain its principal place of business in the City as a registered business in good standing under all Applicable Laws;
- (b) The Team Owner shall maintain the Franchise as a validly existing and participating NHL franchise under NHL Rules;
- (c) The Team Owner shall not relocate, or permit the relocation of, the Franchise outside of the City; and

(d) The Team Owner shall cause the Team to play all of its Home Games, which shall be no fewer than 40 Regular Season Games and all Play-Off Games, at the Arena Facility; provided, however, the Team Owner shall be permitted to play what would otherwise be a Home Game at a location other than the Arena Facility only as follows:

(i) during such time that the conditions of both Section 3.1(d)(i)(A) and Section 3.1(d)(i)(B) below are satisfied:

- (A) as provided in the Arena Lease and Management Agreement in connection with damage or destruction to or condemnation of the Arena Facility in whole or in part or due to a Force Majeure; and
- (B) if necessary and required in accordance with NHL Rules for reasons of public safety or because of rescheduling due to a Force Majeure; provided, that if played at a location other than the Arena Facility, the Team Owner shall share fairly with the City, in a proportionate manner based on their respective losses (which with respect to the City shall include lost sales, use or ticket taxes that would have been collected by the City in respect of the Home Game), any compensatory payment made to the Team Owner in respect of the lost game(s) by the NHL or any other person;

or

(ii) during such time that the conditions of both Section 3.1(d)(ii)(A) and Section 3.1(d)(ii)(B) below are satisfied:

- (A) The Arena Manager is not an Affiliate of the Team Owner as a result of the Arena Manager and Team Owner previously securing from the City approval of Arena Manager's non-affiliation with the Team and the non-affiliation results from a transfer made in compliance with Section 4 below; and;
- (B) The Arena clearly and convincingly fails to satisfy all conditions under Applicable Law and NHL Rules required for the conduct of NHL games as a result of an Arena Manager Default (as defined in the Arena Lease and Management Agreement).

(e) In the event the Team Owner fails to cause the Team to play at least 40 Regular Season Games at the Arena Facility, Team Owner shall be subject to Section 8.3.1 of the Arena Lease and Management Agreement; provided however, it shall be a default of this

Agreement should the Team plays less than 36 Regular Season Games and all Play-off Games at the Arena except for the following:

(i) Circumstances as set forth in Section 3.1(d) exist and cause the Team to play elsewhere; or

(ii) During a period in which NHL teams are playing no games, in which case when League plays resumes all remaining Regular Season Games and Play-off Games shall be played at the Arena.

3.2 Arena Manager. The Arena Manager covenants and agrees with the City to cause the Team Owner to comply with its obligations under this Agreement, including the Team Owner's non-relocation obligations.

4. TRANSFERS.

4.1 The Team Owner shall not cause or permit there to be any Transfer unless the requirements set forth in both Section 4.1(a) and Section 4.1(b) below have been satisfied:

(a) Except as may be specifically waived by the City in writing, such Transfer is accomplished in accordance with applicable NHL Rules; and

(b) The applicable following provision has been satisfied:

(i) With respect to a Transfer effected solely through changes in the direct or indirect ownership of the Team Owner, the written acknowledgement, in a writing acceptable in form and substance to the City in its reasonable discretion, that the Team Owner is and will remain bound by the provisions of this Agreement, specifically including the non-relocation obligations (with such acknowledgement having been executed and delivered to the City either prior to the Transfer or, if prior delivery is not possible due to such Transfer as a result of death or similar circumstances, within five days thereafter); or

(ii) With respect to any other Transfer, the transferee assumes unconditionally in a writing acceptable in form and substance to the City in its reasonable discretion all then-unperformed obligations of the Team Owner under this Agreement, whether accrued or due before or after the effective date of such Transfer and agrees to be bound hereby and thereby.

4.2 For purposes of this Agreement, a "**Transfer**" shall include any sale, transfer, assignment, or other disposition of (i) substantially all of the assets of the Team Owner, or (ii) the Team Owner's right, title, or any interest in and to the Franchise, or (iii) a Control Interest (as defined under NHL Rules) in Team Owner; provided that in the absence of a specific intent to use a pledge, lien, security interest, hypothecation, or similar conditional assignment (a "**Covered Pledge**") to effect a relocation of the Franchise (such a intent being expressly prohibited by this Agreement), the making of a Covered Pledge is not deemed to be a transfer,

but any foreclosure or transfer in lieu of foreclosure in connection with the Covered Pledge would constitute a Transfer.

4.3 The Team Owner shall give the City not less than 30 days' prior written notice of the submission of any application to the NHL for approval of a Transfer; or alternatively, and only if such notice is inadvertently omitted, the Team Owner shall immediately, irrevocably and effectively (and before the NHL takes any action) retract and cancel such submission, which may be subsequently re-submitted subject to subsequent full compliance with this Agreement (including the 30 day's prior written notice requirement set forth this Section).

5. TERM.

The term (the "**Term**") This Agreement commences on the Closing Date and terminates on the date that is the earliest to occur of (a) the effective date of any termination of this Agreement pursuant to the provisions of this Agreement, or (b) as specifically provided in the provisions of the Arena Lease and Management Agreement, or (c) the effective date of any termination of the Arena Lease and Management Agreement in connection with a "City Default (as defined therein), or (d) a judicial decision that the Arena Lease and Management Agreement is invalid but only in the event that (i) the City is actually precluded by court order from payment of the Management Fee pending any appeal (which the City may take in its sole discretion) and (ii) the Arena Manager and Team Owner, whether or not named as parties in such proceeding, shall have undertaken their best efforts at their own expense to cooperate with efforts by the City to stay such an order (or to otherwise prevent such an order from taking effect) or (e) a final and non-appealable judicial decision that the Arena Lease and Management Agreement is invalid and that precludes the City's payment of the Management Fee by court order, or (f) the 30th day after the last day of the complete NHL hockey season commencing in 2031.

6. DEFAULT.

6.1 Team Default. A "**Team Default**" occurs upon (a) the violation of or failure to comply with any provision of Section 3 or Section 4 of this Agreement, including the Team Owner's non-relocation obligations, or a material breach of the representations and warranties of the Team Owner and the Arena Manager in Section 9.1, and such breach is not cured within 30 days after the Team Owner's and the Arena Manager's receipt from the City of notice of such breach; provided, however, that if it is reasonably possible to cure such breach but it is not reasonably possible to cure such breach within such 30-day period, then such cure period shall be for an unlimited period of time so long as the Team Owner and Arena Manager (i) commence to cure such breach within 30 days after their receipt of such notice, and (ii) thereafter diligently continue to cure such breach; or (b) the failure (other than to the extent resulting from Force Majeure) of the Team to continue operations of its business in the ordinary course; or (c) any suspension, revocation, or termination of the Franchise by the NHL; or (d) the Team Owner becoming insolvent, admitting in writing its inability to pay its debts as they mature, making an assignment for the benefit of creditors, applying for or consenting to the appointment of a receiver or trustee for it or for a substantial part of its property or business, or commencing, or having commenced against it, any case, proceeding or other action under the United States Bankruptcy Code, or any other applicable law relating to bankruptcy, insolvency, reorganization

or relief of debtors; for which the City shall automatically be provided the remedies set forth herein without the requirement for notice or opportunity to cure.

6.2 City Default. A “**City Default**” occurs (a) if the City materially breaches the covenants in Section 2 or the representations and warranties in Section 9.2, and such breach is not cured within 30 days after the City’s receipt from the Team Owner of notice of such breach; provided, however, that if it is reasonably possible to cure such breach but it is not reasonably possible to cure such breach within such 30-day period, then such cure period shall be for an unlimited period of time so long as the City (i) commences to cure such breach within 30 days after the City’s receipt of such notice, and (ii) thereafter diligently continues to cure such breach; or (b) a “City Default” occurs under subclause (a) of the definition thereof in the Arena Lease and Management Agreement.

7. **REMEDIES FOR BREACH.**

7.1 City Remedies.

(a) The Team Owner acknowledges and agrees that a Team Default will cause the City irreparable harm, that money damages would not be a sufficient remedy for any such event, and that the City may, but is not required to, seek an injunction, specific performance, or other court order without any requirement for showing economic loss or the securing or posting of any bond in connection with such remedy.

(b) Alternatively upon a Team Default, the City may terminate this Agreement without any further obligation to the Team Owner or the Arena Manager, and recover from the Team Owner and the Arena Manager, as liquidated damages and not as a penalty, an aggregate amount in accordance with the schedule set forth on Exhibit “A” hereto. The Team Owner, the Arena Manager and the City acknowledge that it would be extremely difficult if not impossible to ascertain the City’s actual damages and that the amount specified on Exhibit “A” hereto is a reasonable forecast of just compensation to the City resulting from a Team Default and is not a penalty. The Team Owner, the Arena Manager and the City expressly agree that this provision is a material and bargained-for component of the consideration for this Agreement and that, by defining the remedies in the event of Team Default, is of mutual benefit to each of the Team Owner, the Arena Manager and the City. The Team Owner, the Arena Manager and the City further expressly agree not to contest, in any proceeding, the validity or enforceability of this provision and expressly and knowingly waive the right to do so.

7.2 Team Remedies. The City agrees that the benefits that the Team Owner and the Arena Manager will receive from the City’s covenants in Section 2 are of a kind for which there is no adequate remedy at law and for which money damages will not be adequate compensation, and therefore if a City Default occurs, the Team Owner shall have the right to seek specific performance of, or other appropriate injunctive relief enforcing, the obligations of the City under this Section. Without limiting the foregoing, the Team Owner and the Arena Manager shall be entitled to all other remedies at law and in equity in the event of a City Default.

7.3 Jurisdiction. Any litigation shall be subject to the exclusive jurisdiction of the state and federal courts located in Maricopa County, Arizona and the Parties irrevocably submit to such exclusive jurisdiction.

8. INDEMNIFICATION.

Each party (“**Indemnitor**”) shall indemnify, defend (with counsel reasonably acceptable to such party) and hold harmless each other party and their respective city council members and elected officials (if applicable) employees, agents, licensees, independent contractors and consultants, or any of them as their interests may appear, of, from, and against all damages, losses, claims, fines, reasonable costs to investigate claims, reasonable charges, and expenses, liabilities, suits, obligations, demands, actions, settlements, and judgments recovered from or asserted against any of them, including reasonable attorneys’ and experts’ fees and expenses incurred to defend such claims and/or to enforce this indemnity (collectively, “**Losses**”), to the extent such Losses may be incident to, arise out of, or be caused by any breach of this Agreement by Indemnitor.

9. REPRESENTATIONS AND WARRANTIES.

9.1 Representations and Warranties of the Team Owner and the Arena Manager. The Team Owner and the Arena Manager jointly and severally represent and warrant to the City that the statements below are correct and complete as of the Effective Date and will remain correct and complete at all times during the term of this Agreement.

(a) Valid Existence. Each of the Team Owner and the Arena Manager is duly organized, validly existing and in good standing under the laws of the state(s) of its organization and is duly authorized, qualified and licensed under all Applicable Laws to carry on its business in the places and in the manner as presently conducted.

(b) Power. Each of the Team Owner and the Arena Manager has full right, power and authority to execute and deliver this Agreement and to perform its obligations under Agreement. All limited liability company action of the Team Owner and the Arena Manager necessary to approve the execution, delivery and performance of this Agreement has been taken.

(c) No Conflict. The execution, delivery and performance of this Agreement by the Team Owner and the Arena Manager do not: (i) violate, conflict with or result in the breach of any provision of the Team Owner’s or the Arena Manager’s Articles of Organization or agreements among members; (ii) conflict with or violate any Applicable Law applicable to the Team Owner or the Arena Manager or any of their respective assets, properties or businesses; or (iii) conflict with, result in any breach of, constitute a default (or event which with the giving of notice or lapse of time would become a default) under, require any consent under, or give to any other person any rights of termination, amendment, acceleration, suspension, revocation or cancellation of, or result in the creation of any lien on the assets or the properties of the Team Owner pursuant to any note, bond, mortgage, indenture, contract, agreement, license, permit, authorization, franchise or other instrument or arrangement to which the Team Owner or the

Arena Manager is a party or by which any of their respective assets or properties are bound or affected.

(d) Valid Execution and Binding Effect. Each of the Team Owner and the Arena Manager has duly executed and delivered this Agreement, and (assuming due authorization, execution and delivery by the City) this Agreement constitutes a legal, valid and binding obligation of each of the Team Owner and the Arena Manager enforceable against each of the Team Owner and the Arena Manager in accordance with its terms.

(e) Franchise Ownership; NHL Good Standing. Upon the closing of the NHL Purchase Agreement, the Team Owner will own the Franchise, and the Franchise will be in good standing with the NHL, and the Team Owner is in compliance with the NHL Rules.

9.2 Representations and Warranties of the City. The City represents and warrants to the Arena Manager and the Team Owner that the statements below are correct and complete as of the Effective Date and will remain correct and complete at all times during the term of this Agreement.

(a) Valid Existence. The City is duly organized, validly existing and in good standing under the laws of the state(s) of its organization and is duly authorized, qualified and licensed under all Applicable Laws to carry on its business in the places and in the manner as presently conducted.

(b) Power. The City has full right, power and authority to execute and deliver this Agreement and to perform its obligations under Agreement. All action of the City necessary to approve the execution, delivery and performance of this Agreement has been taken.

(c) No Conflict. The execution, delivery and performance of this Agreement by the City do not: (i) violate, conflict with or result in the breach of any provision of the City's charter; (ii) conflict with or violate any Applicable Law applicable to the City or its assets, properties or activities; or (iii) conflict with, result in any breach of, constitute a default (or event which with the giving of notice or lapse of time would become a default) under, require any consent under, or give to any other person any rights of termination, amendment, acceleration, suspension, revocation or cancellation of, or result in the creation of any lien on the assets or the properties of the City pursuant to any note, bond, mortgage, indenture, contract, agreement, license, permit, authorization, franchise or other instrument or arrangement to which the City is a party or by which any of its assets or properties are bound or affected.

(d) Valid Execution and Binding Effect. The City has duly executed and delivered this Agreement, and (assuming due authorization, execution and delivery by the Team Owner and the Arena Manager) this Agreement constitutes a legal, valid and binding obligation of the City enforceable against the City in accordance with its terms.

10. MISCELLANEOUS.

10.1 Entire Agreement. This Agreement, together with the Arena Lease and Management Agreement and the Related Agreements, 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.

10.2 Amendments. No modification, waiver or amendment of this Agreement or of any of its conditions or provisions shall be binding upon the City, the Team Owner or the Arena Manager unless in writing signed by the City, the Team Owner or the Arena Manager, respectively.

10.3 Choice of Law; Agent for Service of Process. This Agreement shall be governed by and interpreted in accordance with the internal laws of the State of Arizona, without giving effect to conflict of laws provisions. Upon execution of this Agreement, the Team Owner and the Arena Manager shall identify, in writing, to the City, the name and address of an agent within the State of Arizona upon whom process may be served. The Team Owner and the Arena Manager shall be required to notify the City, in writing, of any change in either the name or address of its registered agent for service of process.

10.4 Severability; Interpretation. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under Applicable Law. If, however, any provision of this Agreement, or portion thereof, is prohibited by law or found invalid under any law, such provision or portion thereof, only, shall be ineffective without in any manner invalidating or affecting the remaining provisions of this Agreement or the valid portion of such provision, which provisions are deemed severable.

10.5 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.

10.6 Successors and Assigns. Each party binds itself and its successors and authorized assigns to the other and to the successors and authorized assigns of the other party with respect to all covenants of this Agreement. Except in connection with an assignment of this Agreement with a Transfer by Team Owner of the Franchise and Team in compliance with Section 3 above, neither this Agreement nor the obligations provided herein may be assigned without the prior written consent of the other parties.

10.7 Interpretation. 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.

10.8 Notices. All notices, demands, certificates or other communications under this Agreement shall be in writing (except as expressly provided otherwise in this agreement) and

shall be deemed to be delivered: (a) when actually received if personally delivered by hand or by reputable commercial overnight courier service; or (b) three (3) Business Days after deposit in the U.S. Mail, postage prepaid, certified mail, return receipt requested, and in each case properly addressed to the City or Team Owner, as follows:

If to the City:

City Manager
City Of Glendale
5850 W. Glendale Avenue
Glendale, AZ 85301

With a copy (which shall not constitute notice) to:

City Attorney
City of Glendale
5850 W. Glendale Avenue
Glendale, AZ 85301

If to the Team Owner:

Arizona Hockey Partners LLC
c/o Hopkins & Carley
The Letitia Building
70 South First Street
San Jose, CA 95113
Attn: Clarence A. Kellogg, Jr.

With a copy (which shall not constitute notice) to:

Hopkins & Carley
The Letitia Building
70 South First Street
San Jose, CA 95113
Attn.: Clarence A. Kellogg, Jr.

If to the Arena Manager:

Arizona Hockey Arena Partners LLC
c/o Hopkins & Carley
The Letitia Building
70 South First Street
San Jose, CA 95113
Attn: Clarence A. Kellogg, Jr.

With a copy (which shall not constitute notice) to:

Hopkins & Carley
The Letitia Building
70 South First Street
San Jose, CA 95113
Attn.: Clarence A. Kellogg, Jr.

Any party, by written notice to the other parties, may change its address for purposes of this Agreement.

10.9 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.

10.10 Survival. The payment obligations for amounts due and payable prior to the expiration or any other termination of this Agreement, and the rights and obligations for indemnification, shall survive the termination of this Agreement.

10.11 Recordation of Agreement and Amendments. This Agreement will be recorded in the Official Records of Maricopa County, Arizona, within ten (10) calendar days after its approval and execution by the City and Team Owner.

10.12 Conflict of Interest. Notice is hereby given of the applicability of A.R.S. § 38-511.

10.13 Attorneys Fees. In the event of any controversy, claim or dispute between or among the parties arising from or relating to this Agreement, the prevailing party or parties shall be entitled to recover reasonable costs, expenses and attorneys' fees.

10.14 Immigration Law Compliance.

a. The Team Owner and the Arena Manager warrant, to the extent applicable under A.R.S. §41-4401, compliance with all federal and state immigration laws and regulations that relate to its employees, including, without limitation, A.R.S. §23-214(A) which requires registration and participation with the E-Verify Program.

b. Any breach of warranty under this Section shall be considered a material breach of this Agreement and will be subject to penalties up to and including termination of this Agreement.

c. The City retains the legal right to inspect the papers of the Team Owner and the Arena Manager to ensure that the Team Owner, the Team and the Arena Manager each are compliant with the warranty under this Section.

d. The City may conduct random inspections, and upon the request of the City, the Team Owner and the Arena Manager will provide copies of papers and records of the

Team Owner and the Arena Manager demonstrating continued compliance with the warranty under this Section.

e. The Team Owner and the Arena Manager each agrees to keep papers and records available for inspection by the City during normal business hours and will cooperate with the City in the exercise of its statutory duties and not deny access to their business premises or applicable papers or records for the purposes of enforcement of this Section.

f. Team Owner's and the Arena Manager's warranties and obligations under this Section to the City are continuing throughout the term of this Agreement or until such time as the City determines, in its sole discretion, that Arizona law has been modified in that compliance with this Section is no longer a requirement.

g. The "E-Verify Program" above means the employment verification program administered by the United States Department of Homeland Security, the Social Security Administration, or any successor program.

10.15 Iran and Sudan Prohibitions. Team Owner certifies under A.R.S. §§ 35-391 et seq. and 35-393 et seq., that it does not, and during the term of this Agreement will not have, "scrutinized" business operations, as defined in the preceding statutory sections, in the countries of Sudan or Iran.

[Signatures appear on following pages.]

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

TEAM OWNER:
ARIZONA HOCKEY PARTNERS LLC, a
Delaware limited liability company

By: JAMISON ENTERTAINMENT
GROUP LLC, a California limited liability
company
Its: Managing Member

By: _____
Name: Greg Jamison
Its: Manager

ARENA MANAGER:
ARIZONA HOCKEY ARENA PARTNERS
LLC, a Delaware limited liability company

By: ARIZONA HOCKEY PARTNERS LLC,
a Delaware limited liability company
Its: Sole Member

By: JAMISON ENTERTAINMENT GROUP
LLC, a California limited liability company
Its: Managing Member

By: _____
Name: Greg Jamison
Its: Manager

CITY:
CITY OF GLENDALE, an Arizona municipal corporation

By: _____
Name: _____
Its: City Manager

ATTEST:

Pam Hanna, City Clerk

APPROVED AS TO FORM:

Craig D. Tindall, City Attorney

EXHIBIT A

LIQUIDATED DAMAGES

To the City pursuant to Section 7.1(b):

From the Effective Date and until April 30, 2021:	\$350,000,000
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From May 1, 2021 and until April 30, 2032	\$250,000,000
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