ARENA GROUND LEASE

between

CITY OF PORTLAND, OREGON,
a municipal corporation of the State of Oregon

and

OREGON ARENA CORPORATION,
an Oregon corporation

Dated: June 23, 1993

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ARENA GROUND LEASE

PARTIES: **CITY OF PORTLAND, OREGON,** a municipal corporation of the State of Oregon **("Landlord")**

OREGON ARENA CORPORATION, an Oregon corporation **("Tenant")**

EFFECTIVE DATE: June 23, 1993

Landlord and Tenant hereby agree:

1. DEFINITIONS

1.1 Defined Terms. Defined terms are identified by initial capital letters, e.g. Related Agreements. Some defined terms are defined in the body of the Lease; other defined terms which are used in this Lease are defined in the Related Agreement specified in the definition.

"AAA" shall mean American Arbitration Association.

"Admission Tax" shall have the meaning in Section 3.3.

"Advertising" shall have the meaning in Section 10.5.

"Affiliate" shall mean an individual, or a corporation or other entity controlling, controlled by, or under common control with OAC, Tenant or Paul G. Allen, as specified in the applicable section. For purposes of this definition, the term "control" shall mean ownership of more than 50 percent of the shares or other ownership interests in such specified Person or having management power over the affairs of such specified Person.

"Anniversary" shall mean the date which is one year after Closing and the same date in each calendar year thereafter.

"Arena" shall mean a multipurpose arena with a seating

capacity of approximately 19,000, an attached parking garage, and all other Improvements, to be constructed partly on the Property and partly on the Kosei Property pursuant to the Development Agreement.

"Arena Guidelines" shall have the meaning set out in Section 2.5.

"Capital Repair and Replacement" shall have the meaning in Section 17.14.

"CCRs" shall mean the Conditions, Covenants and Restrictions covering the Project Site and recorded at Closing.

"Certificate of Final Completion" shall have the meaning in the Development Agreement.

"Change of Control" shall have the meaning in Section 12.9.

"City" shall mean the City of Portland, Oregon.

"Closing" shall mean the date of closing as described in the Development Agreement.

"Coliseum" shall mean the existing Memorial Coliseum, an approximately 13,000-seat multipurpose arena facility with an attached underground exhibit hall of approximately 40,000 square feet located on the Project Site.

"Coliseum Agreement" shall mean the agreement entitled "Coliseum Operating Agreement" dated as of the date of Closing between Landlord and Tenant relating to the management of the Coliseum, or if it becomes effective under the terms of the Development Agreement, the Coliseum Lease.

"Commencement Date" shall mean the date of Closing.

"Comparable Events" shall have the meaning in Section 15.1.1.

"Competing Facility" shall have the meaning in Section 15.1.2.

"Completion Date" shall mean the date the Arena is substantially completed and ready for normal use, subject to only minor punchlist items which do not adversely affect the normal use thereof.

"Completion Term" shall mean the period not exceeding 12 months described in Section 2.3.

"Control" shall have the meaning in Section 12.8.

"Current Stockholder Group" shall have the meaning in Section 12.9.1.

"Damages" shall have the meaning in Section 10.3.1.

"Defined Revenue" shall have the meaning in Section 17.3.1.

"Development Agreement" shall mean the agreement entitled "Development Agreement" dated November 4, 1992 between Landlord and Tenant, covering development of the Project.

"Displays" shall have the meaning in Section 10.5.

"Dispute" shall have the meaning in Section 14.1.

"Dispute Notice" shall have the meaning in Section 14.2.

"Dispute Resolution" shall have the meaning in Section 14.

"Entertainment Complex" shall mean the Property and all Improvements thereon defined as the "Premises" in the Entertainment Complex Lease.

"Entertainment Complex Lease" shall mean the agreement entitled "Entertainment Complex Ground Lease" dated as of the date of Closing between Landlord and Tenant relating to the lease of the Entertainment Complex.

"Event of Default" shall have the meaning in Section 13.1.

"Exclusive Site Agreement" shall mean the agreement entitled "Exclusive Site Agreement" among Trail Blazers Inc., Paul G. Allen, and Landlord, dated as of the date of Closing regarding use of the Arena by Trail Blazers Inc.

"Extension Period" shall mean each of the three successive 10-year periods described in Section 2.2.

"Force Majeure" shall mean an act, event, or occurrence due to natural causes, riot, insurrection, war or industry-wide labor trouble involving more than the Project Site and the General Contractor and subcontractors on the Project and outside of the control of the parties. As used in this definition, "Project Site" and "General Contractor" have the meaning set out in the Development Agreement.

"GAAP" shall mean Generally Accepted Accounting Principles as set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and the statements and pronouncements of the Financial Accounting Standards Board.

"Governmental Authority" shall mean any federal, state, regional, local, or municipal governmental department, agency,

authority, court, tribunal, or other instrumentality having jurisdiction over the matter(s) in question.

"Group" shall have the meaning in Section 6.2.2.

"Hazardous Substances" shall mean any environmentally hazardous or toxic substances, materials, wastes, pollutants, oils, or contaminants, as defined in or otherwise covered by Laws.

"Impositions" shall mean any and all taxes, assessments, charges, excises, levies, license fees, permit fees, inspection fees, and other charges, in each case whether general or special, ordinary or extraordinary, foreseen or unforeseen, of every character (including interest and penalties thereon) which accrue throughout the Term and at any time may be assessed, levied or imposed on or be a lien upon the Property, the Improvements, the Kosei Property, the Kosei Improvements, or any personal property or fixtures thereon, or any occupancy, use or possession of or activity conducted at, on, from, or with respect to the Premises and the Kosei Premises.

"Improvement" shall mean any improvement now or hereafter placed or constructed in, under, or upon the Property including without limitation any building, road, driveway, railway, landscaping, parking area, pipe, fence, wall, stairs, tank, utility distribution facility, or sign, including without limitation the signs on the Sign Pads.

"Index" shall mean the Revised Consumer Price Index for Urban Consumers (All Items) U.S. Cities Average (1982-4 = 100) published by the United States Department of Labor. If the Index is converted to a different standard reference base or otherwise

revised, the determination of the applicable percentage increase shall be made with the use of a conversion factor, formula or table to arrive at the different reference base. If the Index is discontinued or a conversion table to the new standard is unavailable, the parties shall agree to the substitution of a different standard. If the parties are unable to agree by the 90th day prior to the next date the Index is to be used to adjust a dollar amount under this Lease, the new Index shall be determined by Dispute Resolution under Section 14.

"Informational Signs" shall have the meaning in Section 10.5.1.

"Initial Term" shall have the meaning in Section 2.1.

"Institution" shall mean a national bank, insurance company, pension fund, major financial lending institution or other entity actively engaged in commercial real estate or project financing with total assets of at least one hundred million dollars ($100,000,000), adjusted in accordance with the terms of Section 18.2.

"Insurance Surveyor" shall mean an independent qualified insurance appraiser designated in accordance with the provisions of Section 8.9 of this Lease.

"Interest Spread" shall have the meaning in Section 17.3.2.

"Kosei Improvements" shall mean the Improvements on the Kosei Property.

"Kosei Plaza" shall mean the hardscape and landscaped surface area of the Kosei Property.

"Kosei Premises" shall mean the Kosei Property and the Kosei Improvements.

"Kosei Property" shall mean certain real property adjacent to the Property, on which a portion of the Arena and the Plaza will be constructed. The Kosei Property is described in Exhibit 1.1(a). The Kosei Property includes without limitation the Kosei Sign Pad described in Exhibit 1.1(b).

"Kosei Sign Pad" shall have the meaning in Section 17.

"Land" shall mean the real property described on the attached Exhibit 1.1(c), and the Sign Pads.

"Landlord" shall mean initially the City and subsequently any successor to the City or assignee of the City's interest under this Lease.

"Landlord Possession Date" shall have the meaning in Section 12.2.11.

"Landlord Related Persons" shall mean Landlord's elected officials, officers, employees and agents, and, if any exist, Landlord's directors, shareholders and partners.

"Laws" shall mean all applicable statutes, ordinances, rules, regulations, directives, orders, decrees, laws, injunctions, and requirements now or hereafter enacted, issued, or promulgated by any Governmental Authority, as well as common law and constitutional law.

"Lease" shall mean this Arena Ground Lease.

"Lease Year" shall mean the calendar year, except that the first Lease Year shall begin on the Commencement Date and end on the next succeeding 31st day of December.

"Leasehold Estate" shall mean the estate of Tenant created by this Lease subject to all the terms and conditions of this Lease.

"Leasehold Mortgage" shall mean a mortgage, deed of trust, or other security instrument by which Tenant's Leasehold Estate is mortgaged, conveyed, assigned, or otherwise transferred to secure a debt or other obligation in accordance with the terms of Section 6.

"Leasehold Mortgagee" shall mean a holder of a Leasehold Mortgage permitted pursuant to the terms of Section 6, who has given notice to Landlord and whose notice has been received by Landlord as provided in Section 6. Each Leasehold Mortgagee shall be either a Qualified Lender or the holder of a Purchase Money Leasehold Mortgage. Each Leasehold Mortgagee shall have a net worth of at least $100,000,000, adjusted in accordance with the terms of Section 18.2.

"Loan Manager" shall have the meaning in Section 6.2.2.

"Maintenance Schedule" shall have the meaning in Section 10.9.

"Market Rent" shall have the meaning in Section 3.2.8.

"Metro" shall mean Metropolitan Service District.

"Net Insurance Proceeds" shall have the meaning in Section 6.3.9.

"New Lease" shall have the meaning in Section 6.3.13.

"New Lease Notice" shall have the meaning in Section 6.3.13.

"NFA Date" shall have the meaning in Section 2.6.2.

"Nondisturbance" shall have the meaning in Section 12.2.10.

Notice of Election" shall have the meaning in Section 16.2(b).

"OAC" shall mean Oregon Arena Corporation, an Oregon corporation.

"Operating Trade Fixtures" shall have the meaning in Section 10.4.

"Option" shall have the meaning in Section 16.

"Partial Taking" shall have the meaning in Section 9.3.

"Participate In" shall have the meaning in Section 15.1.3.

"Person" shall mean an individual, corporation, partnership, joint venture, municipal government, association or any other entity that has the power to contract.

"Personal Property" shall have the meaning in Section 10.4.

"Plaza" means the hardscape and landscaped surface area of the Project lying generally between the Arena, the Coliseum and the Entertainment Complex, as defined in the Plaza Lease.

"Plaza Bonds" shall have the meaning in Section 17.3.2.

"Plaza Improvements" shall mean the improvements on the Plaza.

"Plaza Lease" shall mean the agreement entitled "Plaza Lease" dated as of the date of Closing between Landlord and Tenant, pertaining to the lease of the Plaza.

"Plaza Rent" shall have the meaning in Section 17.3.

"Premises" shall mean the Property and the Improvements.

"Prime Rate" shall mean the prime rate of interest as published from time to time by the Wall Street Journal, provided that if the Wall Street Journal is no longer published or no longer publishes a prime rate, the Interest Rate shall be the average of the prime rates publicly announced by the three (3) largest commercial banks (measured by asset size) in the United States.

"Project" shall mean the Premises together with the Coliseum, Entertainment Complex, Plaza, Kosei Premises and Public Parking Garages on the Project Site, as that term is defined in the Development Agreement and all improvements on the Project Site.

"Project Bonds" shall have the meaning in the Development Agreement.

"Project Expenses" shall have the meaning in the Development Agreement.

"Project Revenues" shall have the meaning in the Development Agreement.

"Project Site" shall have the meaning in the Development Agreement.

"Property" shall mean the Land and the Subsurface Property.

"Public Parking Garages" shall mean the public parking garages on the north side of the Project, as described in the Development Agreement.

"Purchase Money Leasehold Mortgage" shall mean a Leasehold Mortgage taken back, retained by, or granted to Tenant, an Affiliate of Tenant or any assignee of Tenant permitted pursuant

to Section 12.3, upon a permitted sale and assignment of the Leasehold Estate, to secure payment of any portion of the purchase price or any other obligations of the purchaser and assignee in connection with such sale and assignment.

"Purchase Money Mortgagee" shall mean a Tenant or an Affiliate of a Tenant that makes a permitted assignment of this Lease and retains a mortgage, or trust deed or a collateral assignment of this Lease or the Premises or both.

"Qualified Appraiser" shall mean an Oregon licensed appraiser who is a member of the American Institute of Appraisers (MAI) and who has at least five years' experience appraising commercial real property in the Portland, Oregon metropolitan area and who is not a Tenant-Related Person or a Landlord-Related Person.

"Qualified Lender" shall have the meaning in Section 6.2.2.

"Reasonable Efforts" shall mean the taking, in good faith, of commercially reasonable actions under the circumstances presented, whether or not the objective sought is accomplished. With respect to the City, commercially reasonable actions allows the City to take into account adopted ordinances, policies and goals, to the extent reasonably applicable and consistently applied.

"Related Agreements" shall mean the Development Agreement and the agreements defined as Related Agreements in the Development Agreement, except this Lease.

"Rent" shall mean the rent payable pursuant to Section 3, and all other sums payable to Landlord by Tenant under this Lease, except that User Fees shall not be considered part of Rent.

"Rent Determination Request" shall have the meaning in Section 3.2.2.

"Restoration" shall have the meaning in Section 7.1.

"Sign Pads" shall mean the two sign pads described in Exhibit 1.1(d), as defined in Section 17.

"Signage" shall have the meaning in Section 10.5.

"Special Seat" shall have the meaning in the Development Agreement.

"Sponsor" shall mean any Person that has given Tenant consideration for the public display of its name, trademark or logo in connection with the Arena, the Coliseum, the Entertainment Complex or the Plaza.

"Sponsor Signs" shall have the meaning in Section 10.5.2.

"Sublease" shall mean a sublease, license, concession agreement, or any other agreement under which a third party has any right to occupy a part of the Premises, except a ticket or other evidence of entitlement to admission to an event in the Arena.

"Sublessee" shall mean a sublessee, licensee, concessionaire, or other third party that has any right to occupy a part of the Premises pursuant to a Sublease, but excluding holders of tickets or other entitlement to admission to an event in the Arena.

"Sublet" shall mean enter into a Sublease.

"Substantial Taking" shall have the meaning in Section 9.2.

"Subsurface Property" shall mean the area of underground land described on the attached Exhibit 1.1(e).

"Temporary Taking" shall have the meaning in Section 9.6.

"Tenant" shall mean initially OAC, and subsequently any permitted successor to OAC or assignee of OAC's interest in this Lease.

"Tenant-Related Person" shall mean the Tenant's officers, employees, agents, directors, shareholders, and partners.

"Term" shall mean the Initial Term together with any Extension Periods which may be exercised by Tenant pursuant to Section 2.2, and together with any Completion Term.

"Three Sign Pads" shall have the meaning in Section 17.

"Total Taking" shall have the meaning in Section 9.1.

"Trail Blazers Inc." shall mean the Franchise described in the Exclusive Site Agreement.

"Transfer" shall have the meaning in Section 12.7.

"Transferee" shall have the meaning in Section 12.3.

"Trustee of Insurance" shall mean an Institution selected in accordance with the provisions of Section 8.8.

"User Fees" shall have the meaning provided in the Development Agreement.

"Utilities" shall mean water, sewer, electricity, gas, garbage, telephone, and all other public or private utility systems, facilities and services provided to or for the Premises or

the Kosei Premises or used by any occupant of the Premises or the Kosei Premises.

2. PREMISES AND TERM

2.1 General. For and in consideration of Tenant's covenant to pay or remit the Rent, User Fees and other sums provided for herein, and the performance of the other obligations of Tenant hereunder, Landlord leases to Tenant, and Tenant leases from Landlord, the Premises for the period of time commencing on the Commencement Date and, unless sooner terminated or extended pursuant to the provisions of this Lease, expiring at midnight on the earlier of: (a) the day preceding the 30th anniversary of the Completion Date and (b) January 31, 2026 (the "Initial Term"). The legal description of the Property shall be amended promptly after the Completion Date based on an as-built survey, as provided in the Development Agreement.

2.2 Tenant's Right to Extend. Tenant shall have the right to extend the Initial Term for three successive periods of 10 years each, if exercised in accordance with this Section 2.2.

2.2.1 Each successive Extension Period shall be effective only if Tenant gives written notice of the exercise of the right to extend to Landlord no later than one year prior to the expiration of the Initial Term or the preceding Extension Period, as may be applicable, and there does not exist an Event of Default under the Lease, either at the time the notice to extend is given or at the commencement of the Extension Period in question.

2.2.2 During each Extension Period, this Lease shall continue upon the same terms and conditions as provided in this Lease but at a Rent to be established as described in Section 3.2.

2.3 End of Term; Holdover. Notwithstanding anything to the contrary contained in this Section 2, Tenant may extend the Term and remain in the Premises for one Completion Term as defined below, if necessary, for the purpose of enabling a Sublessee which uses the Premises as its regular home playing facility to complete a professional sports league season including playoffs. Tenant shall not hold over for any other purpose.

2.3.1 The Completion Term shall mean a period of time not exceeding 12 months which shall commence: (a) immediately after the end of the Initial Term if Tenant has not elected an Extension Period, or (b) immediately after any Extension Period if Tenant does not elect or does not have the right to elect to extend for a subsequent Extension Period. Any Completion Term shall be upon all of the terms and conditions applicable under this Lease immediately prior to the beginning of the Completion Term.

2.3.2 The Completion Term shall be effective only if Tenant gives written notice of the exercise of the right to extend to Landlord no later than one year prior to the expiration of the Initial Term or the preceding Extension Period, as may be applicable, and there does not exist an Event of Default under the Lease, either at the time the notice to extend is given or at the commencement of the Completion Term.

2.4 Transition. During the year before, and at the end of, the Term, Landlord and Tenant shall use Reasonable Efforts to

effect an orderly and efficient transition of operation of the Arena to Landlord or Landlord's designee. The plan shall include, at a minimum, a mechanism for advance scheduling of events in the Arena for the period following the end of the Term, the continuation or termination of existing contracts affecting operation of the Arena, and access to the Arena by Landlord's (or its designee's) agents and employees during a reasonable transition period. Tenant shall assist Landlord or its designee in the orderly transition of operations of the Arena in the same way Landlord is required to assist Tenant in the orderly transition of the management of the Coliseum pursuant to the Coliseum Agreement.

2.5 Use. Tenant shall construct an Arena on the Property and the Kosei Property in accordance with the Development Agreement. The Property shall be used by Tenant for the purpose of constructing, maintaining and operating the Arena, which shall include without limitation the operation of an arena that conforms to the Arena Guidelines attached to this Lease as Exhibit 2.5 for sporting and other similar events, conventions, assemblies, trade shows, concerts, plays and similar types of entertainment, social and business functions, restaurants and lounges, broadcast facilities, related concession sales, office and retail purposes, parking and all ancillary uses necessary or convenient in connection with such uses permitted by Laws. During the time Tenant is also the manager of or the tenant under the Coliseum Agreement, Tenant shall coordinate Arena operations (including the use of equipment) and events with those of the Coliseum as provided in the Coliseum Agreement. Each of the Three Sign Pads shall be

used only for construction, maintenance and operation of a single pylon with signage, displays and all ancillary uses and applications necessary and convenient in connection with such uses permitted by Laws. Tenant shall cooperate with the Portland Oregon Visitors Association ("POVA") or any other entity that performs the scheduling functions for the Oregon Convention Center to schedule convention activities in the Arena. Tenant shall actively book events in the Arena in a commercially reasonable manner. Use of the Arena shall be in compliance with the Arena Guidelines. Tenant may use the Premises only for the uses and activities allowed in this Section 2.5 and for no other uses or activities without Landlord's prior written consent. Tenant shall not use or allow the use of the Premises or the Kosei Premises or any part thereof for any unlawful purpose or in violation of any certificate of occupancy, any certificate of compliance, any other certificate or any Law. Tenant shall comply with Laws in connection with the exercise of its rights and obligations under Section 17. Tenant shall not permit waste of the Premises or the Kosei Premises or any act to be done or any condition to exist on the Premises or the Kosei Premises or any part of the Premises or the Kosei Premises which may be hazardous, which may constitute a nuisance, or which may void or make voidable any policy of insurance in force with respect to the Premises or the Kosei Premises. Vending on the exterior areas of the Premises within 10 feet of an exterior entrance to separately demised retail areas in the Arena shall be limited to the same vending activities as the retail areas in the Arena.

2.6 Hazardous Substances.

2.6.1 Tenant shall not generate, release, store, or deposit on the Premises or on the Kosei Premises or in connection with its rights under Section 17, any Hazardous Substances, except that Tenant may use and store Hazardous Substances if necessary for the operation of the Arena. When such use or storage is necessary, Tenant shall not allow any Hazardous Substances to be released into or deposited on the Property, the Kosei Property, the Improvements, the Kosei Improvements or the ground water under the Premises or under the Kosei Premises. In all events, usage and storage of such Hazardous Substances shall be in full compliance with Laws. If no such laws exist, Tenant shall handle the Hazardous Substances in a manner reasonably calculated to promote health and safety.

2.6.2 Tenant shall indemnify and hold harmless Landlord from and against any and all claims, losses, damages, response costs and expenses of any nature whatsoever arising out of or in any way related to the generation, release, storage, or deposit of Hazardous Substances on the Premises and/or the Kosei Premises, or in connection with its rights under Section 17 by Tenant at any time, or by any other Person during the Term other than Landlord including, but not limited to: (a) claims of third parties, including governmental agencies, for damages, response costs, injunctive or other relief; (b) the cost, expense or loss to Landlord of any injunctive relief, including preliminary or temporary injunctive relief, applicable to Landlord or the Premises or the Kosei Premises or in connection with its rights under Section 17; (c) the expense, including fees of attorneys,

engineers, paralegals and experts, of reporting the existence of hazardous substances or hazardous waste to any agency of the State of Oregon or the United States as required by applicable Laws; and (d) any and all expenses or obligations, including attorneys' and paralegal fees, incurred at, before, and after any trial or appeal therefrom or any administrative proceeding or appeal therefrom whether or not taxable as costs, including, without limitation, attorneys' and paralegal fees, witness fees (expert and otherwise), deposition costs, copying and telephone charges and other expenses, all of which shall be paid by Tenant promptly after Landlord incurs the obligation to pay such amounts. The above indemnification shall not apply to Hazardous Substances which either (a) were generated, released, stored or deposited on the Premises prior to Closing unless caused by Tenant or a Tenant-Related Person; or (b) originated off the Premises, unless such generation, release, storage or deposit was caused by Tenant or a Tenant-Related Person, its agents or employees or originated on and migrated from the Kosei Property after the NFA Date. As used in this Section 2.6, the "NFA Date" means the earlier of the date of issuance of a No Further Action letter or the date of issuance of a Partial No Further Action Letter, as defined in the Development Agreement.

2.6.3 Promptly upon written notice from Landlord or from any governmental entity, Tenant shall remove from the Premises, the Kosei Premises and/or the Plaza or otherwise remediate in accordance with applicable Laws, all Hazardous Substances (including without limitation the soil or water table of the Premises, the Kosei Premises and/or the Plaza), and shall restore

the Premises, the Kosei Premises and the Plaza to a clean, safe, good, and serviceable condition, provided Tenant shall not be required to so remove or treat any release of Hazardous Substances which either (a) occurred prior to Closing unless caused by Tenant or a Tenant-Related Person; or (b) originated off the Premises, unless the presence of such Hazardous Substances on the Premises was caused by Tenant or a Tenant-Related Person, or originated on and migrated from the Kosei Property after the NFA Date. Any such removal, treatment or remediation shall be in conformance with all applicable Laws.

2.6.4 To the extent permitted by Laws, Landlord shall indemnify and hold harmless Tenant from and against any and all claims, losses, damages, response costs and expenses of any nature whatsoever arising out of or in any way related to the generation, release, storage or deposit of Hazardous Substances on the Premises which (a) occurred prior to NFA Date unless caused by Tenant or any Tenant-Related Person; or (b) originated off the Premises, unless the generation, release, storage or deposit was caused by Tenant, or any Tenant-Related Person or unless the Hazardous Substances originated on or migrated from the Kosei Property after the NFA Date. The above indemnification includes, but is not limited to, (a) claims of third parties, including governmental agencies, for damages, response costs, injunctive or other relief; (b) the cost, expense or loss to Tenant of any injunctive relief, including preliminary or temporary injunctive relief, applicable to Landlord or the Premises; (c) the expense, including fees of attorneys, engineers, paralegals and experts, of reporting the existence of

hazardous substances or hazardous waste to any agency of the State of Oregon or the United States as required by applicable Laws; and (d) any and all expenses or obligations, including attorneys' and paralegal fees, incurred at, before, and after any trial or appeal therefrom or any administrative proceeding or appeal therefrom whether or not taxable as costs, including, without limitation, attorneys' and paralegal fees, witness fees (expert and otherwise), deposition costs, copying and telephone charges and other expenses, all of which shall be paid by Landlord promptly after Tenant incurs the obligation to pay such amounts.

2.6.5 Promptly upon written notice from Tenant or from any governmental entity, Landlord shall remove from the Premises or otherwise remediate in accordance with applicable Laws, all Hazardous Substances (including without limitation the soil or water table of the Premises) for which Landlord is liable under Section 2.6.4, and shall restore the Premises to a clean, safe, good, and serviceable condition. Any such removal, treatment or remediation shall be in conformance with all applicable Laws.

3. RENT; USER FEES

3.1 Initial Term. Tenant covenants and agrees to pay Landlord as Rent during the Initial Term the sum of $1.00 per Lease Year payable on or before the first day of each Lease Year during the Term.

3.1.1 In consideration of Landlord's agreements under this Lease, Tenant shall pay or remit User Fees to Landlord on account of the Arena in strict accordance with the terms of the Development Agreement.

3.2 Extension Periods.

3.2.1 During each Extension Period, Tenant shall pay, at Landlord's option, either: (a) Rent of $1.00 per year, plus User Fees as described in the Development Agreement, or (b) Rent in the amount of the fair market rental value ("Market Rent") of the Property for the applicable Extension Period, determined in accordance with this Section 3.2, in which case the obligation to pay User Fees on the Arena shall terminate pursuant to the Development Agreement. However, if Landlord once elects to receive Market Rent for any Extension Period, Landlord may not elect to receive User Fees for any subsequent Extension Period. In no event shall Market Rent for any Extension Period be less than Market Rent for the previous Extension Period.

3.2.2 Tenant may initiate a determination of Market Rent for the next Extension Period by delivering to Landlord, no sooner than three years and no later than one year prior to the first day of such Extension Period, a written request ("Rent Determination Request") to determine the Rent for such Extension Period. Delivery of the Rent Determination Request shall not bind Tenant to exercise its option to extend the Term or bind Landlord to elect to receive Market Rent during such Extension Period. However, upon receipt of the Rent Determination Request, at Landlord's option, Landlord may elect to receive $1.00 per year Rent plus User Fees as provided in Section 3.2.1(a) for the Extension Period, in which case no determination of Market Rent will be made.

3.2.3 If Landlord does not elect to receive $1.00 per year Rent plus User Fees as provided in Section 3.2.1, and if the

parties are unable to agree on Market Rent within 30 days after delivery of the Rent Determination Request, the determination of Market Rent shall be made by an appraisal in accordance with this Section. The parties shall jointly select a Qualified Appraiser within 60 days from delivery of the Rent Determination Request to determine Market Rent. If the parties cannot agree on a Qualified Appraiser, the Presiding Judge of the Circuit Court of Multnomah County, Oregon shall, upon application by either party, select a Qualified Appraiser. Both parties shall have the right to submit proposed names and criteria for the Qualified Appraiser to the Presiding Judge.

3.2.4 Each party shall be entitled to submit written information and oral and written argument to the Qualified Appraiser for the Qualified Appraiser's use in determining the Market Rent of the Property for the Extension Period. The Qualified Appraiser selected shall determine the Market Rent within four months of the Qualified Appraiser's selection. Subject to the provisions of Section 3.2.5 below, the Market Rent determined by the Qualified Appraiser shall be final and binding on the parties, effective and, if necessary, retroactive to the first day of the Extension Period under consideration. The parties shall share the cost of the Qualified Appraiser's fees.

3.2.5 No later than one year before the first day of the Extension Period, or if Market Rent has not been determined by that date, then within 30 days after the determination of the Market Rent as provided in Section 3.2.8, Landlord shall elect, by written notice to Tenant, to have Tenant pay during the Extension Period in

question either (a) the Market Rent as Rent; or (b) (provided Landlord did not elect Market Rent for the previous Extension Period) Rent of $1.00 per Year plus User Fees.

3.2.6 If Market Rent is elected by Landlord as the Rent for an Extension Period and the Market Rent was determined more than 18 months prior to the commencement of the Extension Period, either party may request a redetermination of Market Rent any time in the third Lease Year of the Extension Period, using the same method as provided in Section 3.2.3. The same Qualified Appraiser shall be used unless that Qualified Appraiser is not available. The redetermination shall be effective for the remainder of the Extension Period.

3.2.7 Tenant shall not be bound to exercise any option to extend the Term until it delivers its written notice to extend pursuant to Section 2.2 above. If Tenant did not deliver a Rent Determination Request to Landlord prior to delivery of the notice to extend, then promptly after delivery of the notice to extend, Market Rent shall be determined by the method set out in this Section 3.2, unless Landlord elects to receive Rent of $1.00 per year plus User Fees.

3.2.8 Market Rent shall mean the rent in terms of money which the Property (excluding Improvements) would bring during the Extension Period (taking into consideration that the Property is part of and surrounded by the Project) under all conditions requisite to a fair rental transaction assuming: (a) the value is based on the then-existing improvements as they are required to be used in accordance with this Lease; (b) the Property is

unencumbered and (c) Tenant has complied with all of its obligations under the Lease.

3.3 Admission Tax Offset. In the event that the City and/or Metro and/or any legal successor governmental agency of either the City or Metro, including a regional governmental agency legal successor (as described below), imposes any Admission Tax (as defined in the Development Agreement), if the entity or entities imposing the Admission Tax allows, OAC shall offset dollar-for-dollar the amount paid in Market Rent against the amount payable as Admission Tax on the Arena, up to the maximum amount of User Fees that would have been paid pursuant to the Development Agreement had Landlord elected to receive as Rent the sum of $1.00 per year plus the payment of User Fees rather than Market Rent. The Rent payable under this Lease shall not be affected by the offset described above. If the entity or entities imposing the Admission Tax does not allow such offset in whole or in part, however, then, to the extent the offset is not allowed, OAC shall be entitled to offset dollar-for-dollar the amount paid in Admission Tax on the Arena, up to the maximum amount of User Fees that would have been paid pursuant to the Development Agreement had Landlord elected to receive as Rent the sum of $1.00 per year plus the payment of User Fees rather than Market Rent, against the amount payable as Market Rent. A legal successor to the City is one that succeeds to the City's rights to receive User Fees and is also responsible for performing the City's obligations under this Lease. A legal successor to Metro is an entity that succeeds to all of Metro's rights and obligations. The City will use Reasonable Efforts to

persuade such successor to allow the Admissions Tax offset as provided herein.

3.4 Rent and User Fee Payments. All payments of Rent and any other amounts to be paid or remitted by Tenant to Landlord hereunder shall be made by Tenant to Landlord without notice or demand, deduction or offset at City of Portland Office of Finance and Administration, 1120 S.W. Fifth Avenue, Suite 1250, Portland, Oregon 97204, or at such other place as Landlord may designate by written notice to Tenant. If Rent is $1.00 per year, Rent shall be paid in advance annually on or before the Anniversary Date. Payments of Market Rent shall be paid monthly in advance on the first day of each calendar month. Payment or remittance of User Fees, if any, shall be governed by the Development Agreement. Nothing in this Section 3.4 shall alter Tenant's offset rights in Section 27.2.6 of the Development Agreement and Section 3.3 of this Lease.

3.5 Net Rent. Rent and other sums to be paid by Tenant shall be payable in lawful money of the United States of America. Rent and all other sums payable by Tenant shall be absolutely net to Landlord, free from all costs, expenses, charges and deductions to Landlord, except as expressly provided in Section 27.2.6 of the Development Agreement and in Section 3.3 of this Lease.

3.6 Pro Rata Portions of a Month or Year. If the Term commences or ends, or there is to be a partial abatement of Rent, or an end to such abatement effective on a date other than at the end or start of a month or a Lease Year, the Rent for the calendar

month or Lease Year shall be prorated on the basis of the actual days in the calendar month or Lease Year.

3.7 Sign Pads; Plaza. Rent for the Sign Pads and the Plaza is covered by Section 17 and not this Section 3.

4. UTILITIES; ASSESSMENTS; TAXES; LIENS

4.1 Utilities. From and after the Commencement Date, Tenant shall pay or cause to be paid when due, all charges for Utilities provided to or used in connection with the Premises and the Kosei Premises. Nothing in this Section shall affect the obligations of Landlord and Tenant with respect to utilities under the Development Agreement.

4.2 Impositions. Tenant shall pay when due all Impositions.

4.3 Payment and Contest of Impositions.

4.3.1 If by law any Imposition may at the option of the taxpayer be paid in installments, Tenant may exercise that option, and shall pay all such installments (and interest, if any) becoming due during the Term as they become due. At the end of the Term, Tenant shall deposit with Landlord an amount sufficient to pay Tenant's pro rata share of all Impositions for the calendar year in which the Lease terminates. If such amounts have been paid in advance by Tenant, Landlord shall refund to Tenant the portion of such payments applicable to the period after the Lease terminates. However, if Tenant has elected to pay installments on assessments for improvements made in connection with Tenant's development of the Project, Tenant shall pay the full balance of the assessment at the end of the Term.

4.3.2 Tenant will furnish to Landlord, upon request, within 30 days after the date any Imposition is due (unless being contested in conformity with Section 4.3.3), official receipts of the appropriate taxing authority or other proof satisfactory to Landlord evidencing the payment of the Imposition.

4.3.3 Tenant at its sole cost and expense may, by appropriate legal proceedings conducted in good faith and with due diligence, contest the amount or validity or application, in whole or in part, of any Imposition or lien therefor, or any other lien, encumbrance or charge against the Premises and/or the Kosei Premises, and/or the Plaza arising from work done or materials provided to or for Tenant, if:

(a) The proceedings suspend the collection of the Imposition from Landlord, Tenant and the Premises and the Kosei Premises and Plaza as applicable;

(b) Tenant shall have furnished security as may be required or permitted in the proceedings and as may be reasonably satisfactory to Landlord; and

(c) Tenant shall give Landlord reasonable notice of, information pertaining to, and regular progress reports about the contest.

4.4 Indemnification. Tenant shall indemnify, defend and hold harmless Landlord and the Premises, the Kosei Premises and the Plaza from any lien or liability with respect to any Imposition or contest thereof, including all costs and expenses (including reasonable attorneys' fees) related thereto.

4.5 Liens. Tenant shall not permit or suffer any lien or encumbrance against the Premises or the Kosei Premises or in connection with exercise of its rights under Section 17, except for a permitted Leasehold Mortgage (or any fee mortgage on the Kosei Premises), liens for taxes and assessments not yet payable, liens and encumbrances existing on the Commencement Date, easements granted in connection with development of the Project, and other liens and encumbrances approved by Landlord. As used in this Section "liens" shall include claims under the Little Miller Act found in ORS Chapter 279, as amended from time to time. If any unpermitted lien comes into existence Tenant shall cause the lien to be discharged or bonded within 30 days after Tenant receives notice of the existence of the lien. If Tenant fails to remove the lien as required in this Section, Landlord may, but shall not be obligated to, after prior written notice to Tenant, discharge the lien in any manner. Tenant shall repay Landlord for any sums advanced to discharge the lien and for Landlord's reasonable costs and expenses (including attorneys' fees) in connection with discharging the lien, within 30 days after Landlord requests repayment from Tenant. In addition, Landlord shall have all other rights and remedies against Tenant under this Lease and under Law.

5. CONSTRUCTION OF IMPROVEMENTS; MAINTENANCE

5.1 Acceptance of Premises. Tenant has inspected and will accept the Property on the Commencement Date in its then AS IS condition, subject to Landlord's warranties and obligations under the Development Agreement, including without limitation Landlord's obligation with regard to environmental remediation.

5.2 Construction. Tenant shall, in accordance with the Development Agreement and this Lease, construct the Improvements and the Kosei Improvements when and as required by the Development Agreement.

5.3 Ownership of Improvements and Kosei Improvements. During the Term, the Improvements and Kosei Improvements constructed by Tenant, including without limitation all additions, alterations and improvements thereto or replacements thereof and all appurtenant fixtures and machinery installed therein shall be the property of Tenant. At the expiration or earlier termination of this Lease, the Improvements and the Kosei Improvements and all additions, alterations and improvements thereto or replacements thereof and all appurtenant fixtures and machinery installed therein shall become the property of Landlord. Except as provided in Section 10.4.5, all moveable personal property and trade fixtures (except Operating Trade Fixtures as defined in Section 10.4) shall remain the property of Tenant (or any Sublessee that installed them, as Tenant and such Sublessee may agree).

5.4 Maintenance, Repair, and Replacement of Improvements. Throughout the Term, all Improvements, Kosei Improvements and any alterations, additions, appurtenant fixtures, machinery and equipment shall be at all times maintained by Tenant at Tenant's sole cost and expense in first class operating condition and in a clean and attractive condition. Tenant may make any alterations, additions or modifications to the Improvements or Kosei Improvements as it desires in its sole discretion, provided Tenant shall at all times comply with the covenants set forth in this

Lease, the CCRs regarding alterations to the Improvements or Kosei Improvements and provided the alterations, additions or modifications are in compliance with the Arena Guidelines.

6. TENANT FINANCING

6.1 Leasehold Mortgages. Tenant, and its permitted successors and assigns, shall have the unrestricted right to mortgage and assign for security purposes its interest under this Lease to one or more Leasehold Mortgagees, subject to the limitations of this Section 6 and so long as the required time for repayment of the loan secured by each Leasehold Mortgage does not extend beyond the scheduled expiration date of the Term at the time the Leasehold Mortgage is executed. Landlord is not subordinating and shall not subordinate its interest in the Property to any Leasehold Mortgage or any other security interest created by Tenant. Leasehold Mortgages shall encumber only the Leasehold Estate and Tenant's rights under Section 17 and not Landlord's fee ownership of the Property.

6.2 Conditions. The right of Tenant to mortgage its interest under this Lease shall be subject to fulfillment of all of the following conditions:

6.2.1 Tenant shall notify Landlord of the existence and identity of any Leasehold Mortgagee and its address for notices and provide Landlord with a copy of the documents constituting the Leasehold Mortgage and the promissory note and loan agreement secured thereby. The Leasehold Mortgage, promissory note secured thereby and the loan agreement governing the loan shall be in compliance with the requirements of this Lease and the Related

Agreements. Every Leasehold Mortgagee shall agree to be bound by the terms of this Section in form reasonably satisfactory to Landlord.

6.2.2 If the Leasehold Mortgagee is not the holder of a Purchase Money Leasehold Mortgage, the Leasehold Mortgagee shall be a Qualified Lender. A "Qualified Lender" is:

(a) a bank, insurance company, major financial institution, pension fund or other entity actively engaged in commercial real estate or project financing with a minimum net worth of at least $100,000,000, adjusted in accordance with the terms of Section 18.2;

(b) a group of persons (the "Group") which has sufficient assets to make and manage a loan of the size of the loan secured by the Leasehold Mortgage, which has an aggregate net worth of at least $100,000,000, adjusted in accordance with the terms of Section 16.2, and which has a single Institution to manage the loan ("Loan Manager"), as provided in this Section 6.2.2. The Loan Manager: (i) may be a member of the Leasehold Mortgagee Group; (ii) shall have substantial experience in underwriting, funding, administering and enforcing commercial real estate or project financing; and (iii) shall have substantial experience in management and disposition of commercial real estate or projects. In addition, the Loan Manager may be any Person who is specifically approved in writing by the City to be a Loan Manager, which approval the City may grant or withhold in its sole discretion. The Loan Manager shall be the sole agent for giving and receiving notices on behalf of the Leasehold Mortgagee. Landlord shall have

the right to negotiate with, and rely on the representations and agreements only of the Loan Manager as the authorized agent for the Leasehold Mortgagee. Landlord shall have no obligation whatsoever to communicate with or respond to members of the Group. The Leasehold Mortgagee may appoint a new Loan Manager from time to time, provided Landlord shall be entitled to rely on the authority of the former Loan Manager until the Leasehold Mortgagee gives Landlord written notice of the appointment. Landlord shall not be required to verify that the appointment was validly made; Landlord may rely on (or at Landlord's option choose to verify with the Group) any representation made by an Institution that has been appointed the Loan Manager. If there is any dispute or competing claims whatsoever, all rights of the applicable Leasehold Mortgagee under this Lease (and the members of the Group comprising such Leasehold Mortgagee) shall be null and void until Landlord receives a certified court order or judgment rendered by a court of competent jurisdiction (or some other evidence acceptable to Landlord) providing the name of the Loan Manager; or

(c) Any Person who is specifically approved in writing by the City to be a Leasehold Mortgagee, which approval the City may grant or withhold in its sole discretion.

6.3 Protection of Leasehold Mortgagees. So long as any Leasehold Mortgage of which Landlord is given notice under this Section shall remain unsatisfied of record, these provisions shall apply:

6.3.1 Subject to fulfillment of the obligations set forth below for a Leasehold Mortgagee to prevent termination of

this Lease, no cancellation, surrender or modification of this Lease shall be effective as to any Leasehold Mortgagee unless consented to in writing by the Leasehold Mortgagee.

6.3.2 Landlord, upon providing Tenant any notice of:

(a) default under this Lease; or

(b) a termination of this Lease; or

(c) a matter on which Landlord may predicate or claim a default, shall at the same time provide a copy of the notice to every Leasehold Mortgagee of which Landlord has been provided notice in accordance with Section 6.2.1. Landlord shall have no liability for the failure to give any such notice except that no such notice by Landlord to Tenant shall be deemed to have been duly given unless and until a copy has been provided to every Leasehold Mortgagee of which Landlord has been provided notice in accordance with Section 6.2.1. If Tenant fails to remedy any default or acts or omissions in the time provided to cure under this Lease, the Leasehold Mortgagee shall have the period of time specified in Section 6.3.3 to remedy, or cause to be remedied, the defaults or acts or omissions which are specified in the notice. If there is more than one Leasehold Mortgagee, the cure period for all shall run concurrently. Landlord shall accept the performance by or at the instigation of the Leasehold Mortgagee as if the same had been done by Tenant. Tenant authorizes each Leasehold Mortgagee to take any such action at such Leasehold Mortgagee's option and does hereby authorize entry upon the Premises by the Leasehold Mortgagee for such purpose.

6.3.3 Notwithstanding anything contained in this Lease, Landlord shall have no right to terminate this Lease unless, following the expiration of the period of time given Tenant to cure the default or the act or omission which gave rise to the default, Landlord shall notify every Leasehold Mortgagee of Landlord's intent to so terminate at least 30 days in advance of the proposed effective date of termination if the default is capable of being cured by the payment of money, and at least 90 days in advance if the default is not capable of being cured by the payment of money. Any notice given to a Leasehold Mortgagee under Section 30.2.3 of the Development Agreement shall constitute a notice given under this Section 6.3.3.

6.3.4 During such 30- or 90-day termination notice cure period described in Section 6.3.3, any Leasehold Mortgagee may:

(a) Notify Landlord that the Leasehold Mortgagee intends to cure the default;

(b) If a monetary default exists, pay or cause to be paid all Rent, and other payments then due and in arrears and which may become due during such 30- or 90-day period as specified in the termination notice to such Leasehold Mortgagee;

(c) If a default other than a monetary default exists, comply in good faith, with reasonable diligence and continuity, with all nonmonetary requirements of this Lease then in default if possible of being complied with; provided, however, that the Leasehold Mortgagee shall not be required to cure or commence to cure (i) any default consisting of Tenant's failure to satisfy and discharge any lien, charge or encumbrance against the Tenant's

interest in this Lease or the Premises junior in priority to the lien of the Leasehold Mortgage held by the Leasehold Mortgagee, and (ii) any default of Tenant which by its terms is not capable of being cured by any Person other than Tenant. Any cure period to which a Leasehold Mortgagee is entitled hereunder shall be extended by any period of time during which such Leasehold Mortgagee is stayed from curing by reason of bankruptcy or other insolvency proceedings involving Tenant.

6.3.5 If more than one Leasehold Mortgagee shall seek to cure pursuant to this Section, Landlord shall permit a cure by the Leasehold Mortgagee whose Leasehold Mortgage is prior in lien. Landlord, without liability to Tenant or any Leasehold Mortgagee with an adverse claim, may rely upon a mortgagee's title insurance policy issued by a responsible title insurance company doing business within Multnomah County and purchased at the expense of the Leasehold Mortgagee initiating the cure as the basis for determining the appropriate Leasehold Mortgagee who is entitled to cure, and the Leasehold Mortgagee which initiates the cure shall, as a condition of being permitted to cure, indemnify and hold Landlord harmless against any claims by Tenant or other Leasehold Mortgagees with respect to the determination.

6.3.6 If the Leasehold Mortgagee follows the steps described in Section 6.3.4 and cures (to the extent required hereunder) the default, and if Tenant does not resume performance of its obligations under the Lease, the Leasehold Mortgagee may:

(a) Pay or cause to be paid the Rent and other monetary obligations of Tenant under this Lease as the same become

due, and continue to perform all of Tenant's other obligations under this Lease, excepting (i) obligations of Tenant to satisfy or otherwise discharge any lien, charge or encumbrance against Tenant's interest in this Lease or the Leasehold Estate junior in priority to the lien of the mortgage held by the Leasehold Mortgagee, and (ii) any default by Tenant which by its terms is not capable of being cured by any Person other than Tenant; and

(b) If not enjoined or stayed, take steps to acquire or sell Tenant's interest in this Lease by foreclosure of the Leasehold Mortgage or other appropriate means or otherwise take steps to compel Tenant to resume performance of Tenant's obligations under this Lease.

6.3.7 Upon the acquisition of Tenant's Leasehold Estate by the Leasehold Mortgagee or any other purchaser at a foreclosure sale or otherwise, or upon Tenant's resumption of performance of its obligations under this Lease, and so long as a Leasehold Mortgagee is complying with the provisions of Section 6.3.6 above, or Tenant is performing under this Lease, this Lease shall continue in full force and effect as if Tenant had not defaulted under this Lease. Nothing in this Section 6, however, shall be construed to extend this Lease beyond the Term.

6.3.8 For the purposes of this Lease, the making of a Leasehold Mortgage shall not be deemed to constitute an assignment or transfer of this Lease or the Leasehold Estate, nor shall any Leasehold Mortgagee be deemed to be an assignee or Transferee of this Lease or of the Leasehold Estate, requiring the Leasehold Mortgagee to assume the performance of any of the terms, covenants

or conditions to be performed by Tenant hereunder. However, the purchaser at any sale of this Lease and of the Leasehold Estate hereby created in any proceeding for the foreclosure of any Leasehold Mortgage, or the assignee or Transferee of this Lease and of the Leasehold Estate hereby created under any instrument of assignment or transfer in lieu of the foreclosure of any Leasehold Mortgage, shall be deemed to be a Transferee and shall be deemed to have agreed to perform all of the terms, covenants, and conditions on the part of Tenant to be performed hereunder from and after the date of such purchase and assignment (including without limitation complying with the terms of Section 12 hereunder), but only for as long as such purchaser or assignee is the holder of this Leasehold Estate.

6.3.9 If the Premises were or become damaged, the Leasehold Mortgagee shall be obligated to repair, replace or reconstruct the Improvements only to the extent of the Net Insurance Proceeds received by the Leasehold Mortgagee by reason of the damage. As used in this Section, "Net Insurance Proceeds" means all proceeds of insurance from the policy referred to in Section 8.2.2, less attorney fees and costs of litigation or dispute resolution to recover the insurance proceeds, and less the fee of the Trustee of Insurance. If Net Insurance Proceeds are insufficient to repair, replace or reconstruct the Improvements to the extent required by Section 7, then the insufficient amount shall be the Reconstruction Cost Deficiency and Landlord and the Leasehold Mortgagee shall proceed as follows:

6.3.9.1 If a Reconstruction Cost Deficiency exits, then the Leasehold Mortgagee shall have thirty (30) days within which to elect to fund the Reconstruction Cost Deficiency. If the Leasehold Mortgagee elects to fund the Reconstruction Cost Deficiency, then the Leasehold Mortgagee shall pay the Reconstruction Cost Deficiency to the Trustee of Insurance and shall reconstruct the Improvements as required by Section 7 and Landlord shall treat the funds paid as the Reconstruction Cost Deficiency as having the same date of priority as the Leasehold Mortgage.

6.3.9.2 If the Leasehold Mortgagee does not elect within the thirty (30) days provided in Section 6.3.9.1 to fund the Reconstruction Cost Deficiency, then Landlord shall have thirty (30) days within which to elect by written notice to the Leasehold Mortgagee to fund the amount of the Reconstruction Cost Deficiency. If the Landlord elects to fund the Reconstruction Cost Deficiency, then Landlord shall pay the amount of the Reconstruction Cost Deficiency to the Trustee of Insurance, the Leasehold Mortgagee shall be obligated to reconstruct the Improvements as required by Section 7, the Leasehold Mortgagee, if it has not already done so, shall acquire the Tenant's Leasehold Estate, and upon the acquisition of the Tenant's Leasehold Estate, the Leasehold Mortgagee shall convey this Leasehold Estate to an entity designated by Landlord which entity is under the Control of Landlord or such other transferee as is approved by the Leasehold Mortgagee, without warranty and without merger and such Landlord's designee shall acquire the Leasehold Estate subject to, but without

any recourse upon, the Leasehold Mortgage or any other leasehold mortgage.

6.3.9.3 In the event that neither the Landlord nor the Leasehold Mortgagee exercise their respective rights set forth in Section 6.3.9.1 and 6.3.9.2 above, then all Net Insurance Proceeds shall be divided between Landlord and the Leasehold Mortgagee as follows:

(a) Landlord shall receive an amount equal to the Net Insurance Proceeds multiplied by a fraction, the numerator of which is the then amount of accrued but unpaid interest, collection costs, and principal on any then unpaid Interim Financing and Project Bonds (as those terms are defined in the Development Agreement) plus the actual cost of demolishing the Improvements, removing the debris, and restoring the site of the Improvements, and the denominator of which is the sum of the numerator and the then amount of accrued but unpaid interest, collection costs, and principal due under the Leasehold Mortgage.

(b) The Leasehold Mortgagee shall receive an amount equal to the Net Insurance Proceeds minus the amount calculated in accordance with Section 6.3.9.3(a).

The Leasehold Mortgagee shall not be obligated to reconstruct the Improvements if the Net Insurance Proceeds are paid pursuant to this Section 6.3.9.3.

6.3.10 Notwithstanding any other provisions of this Lease, any sale of this Lease and of the Leasehold Estate hereby

created to any Leasehold Mortgagee or its designee (which shall be an entity under the Control of the Leasehold Mortgagee) in any proceedings for the foreclosure of any Leasehold Mortgage, or the assignment or transfer of this Lease and of the Leasehold Estate hereby created to a Leasehold Mortgagee or its designee as described above in this Section in lieu of the foreclosure of any Leasehold Mortgage shall be deemed to be a permitted sale, transfer or assignment of this Lease and of the Leasehold Estate hereby created, so long as, prior to acquiring the leasehold estate, such Leasehold Mortgagee or its designee as described above in this Section shall have complied with: (a) the provisions of this Section 6.3 and (b) the experience criteria in Section 12.3.2(b) provided, however, as to a designee, at the sole option of the Leasehold Mortgagee, either: x) the designee also complies with the criteria in Section 12.3 (a), (c), (d) and (e); or y) the Leasehold Mortgagee guaranties the obligations of its designee, or (z) the designee agrees in writing with Landlord that the designee shall make payments to a reserve account for repair and replacement (the "Reserve Account") in the same manner as Tenant was required to do under its loan agreements with the Leasehold Mortgagee as in effect at Closing. Landlord shall have a security interest in the Reserve Account, subject and subordinate to the security interests of Leasehold Mortgagees. The security interest will be implemented and perfected in the same manner as the security interest of the Leasehold Mortgagee. Specifically, but not exclusively, if the fiscal agency arrangement in effect as of Closing is then in effect, the designee shall make payments to the Reserve Account (at

Closing called the "Renewal and Replacement Reserve Fund") through the fiscal agency arrangement between Tenant, such Leasehold Mortgagee and the fiscal agent, and shall fund the Reserve Account in the same priority and in the same amounts as required under the loan agreements between Tenant and such Leasehold Mortgagee as in effect at Closing.

6.3.11 Any Leasehold Mortgagee or its designee electing to assume the Lease or any Transferee (including without limitation any purchaser at a foreclosure sale other than a Leasehold Mortgagee or its designee) or any tenant under a New Lease, except the Leasehold Mortgagee or its designee, which shall comply with the requirements set forth in Section 6.3.10, shall satisfy the criteria for an assignee in Section 12.3. Landlord shall, prior to a foreclosure sale, at the request of a prospective Transferee, accept or reject the proposed Transferee's qualification as an assignee under Section 12.3. Landlord's acceptance or rejection shall be given within 30 days after submission by the prospective Transferee of all information reasonably necessary for the City to make the determination of the proposed Transferee's qualification under Section 12.3. The time for performance by a Leasehold Mortgagee shall not be extended during the 30-day review period. If Landlord fails to approve or reject the Leasehold Mortgagee's proposed Transferee within 30 days after submission to Landlord of all information reasonably requested by Landlord to evaluate the proposed Transferee, the proposed Transferee shall be deemed approved by Landlord. The Leasehold Mortgagee may submit any rejection of a prospective Transferee to Dispute Resolution. The

period of time for the Dispute Resolution shall not extend any time period for performance by the Leasehold Mortgagee under the Lease.

6.3.12 Any Leasehold Mortgagee may, upon acquiring the Leasehold Estate, without further consent of Landlord, sell and assign the Leasehold Estate or sublease the Leasehold Estate on terms and to persons and organizations in accordance with Section 12.3. After a sale or assignment of the Leasehold Estate, the Leasehold Mortgagee shall be relieved of all obligations arising under this Lease, provided the assignee is permitted pursuant to the terms of Section 12.3 and provided the assignee delivers to Landlord its written agreement to be bound by all of the provisions of this Lease, from and after the date of acquisition. However, if the Leasehold Mortgagee is also liable under this Lease as a tenant (e.g., a Purchase Money Mortgagee that was not released from liability as a tenant upon assignment of this Lease to a Transferee), the Leasehold Mortgagee shall not be released from liability as a tenant.

6.3.13 In the event of the termination of this Lease as a result of Tenant's default, Landlord shall provide each Leasehold Mortgagee with written notice that the Lease has been terminated (a "New Lease Notice"), together with a statement of all sums which would at that time be due under this Lease but for such termination, and of all other defaults, if any, then known to Landlord. Landlord agrees to enter into a new lease ("New Lease") of the Premises with the Leasehold Mortgagee for the remainder of the term of this Lease, effective as of the date of termination, at the same Rent, and upon the terms, covenants and conditions

(including the options to extend but excluding the provisions of Section 5.2 hereof to the extent they have been fulfilled with respect to the Improvements) of this Lease; provided:

(a) The Leasehold Mortgagee shall make written request of Landlord for the New Lease within 60 days after the date the Leasehold Mortgagee receives the New Lease Notice and the Leasehold Mortgagee complies with the criteria set forth in Section 12.3.2(b). During the 60-day period following the New Lease Notice, Landlord will not take any action to disturb the rights of Sublessees (unless a Sublessee is in default) without the Leasehold Mortgagee's consent, which consent shall not be unreasonably withheld. Any management agreement to be entered into pursuant to Section 12.3 shall be executed by both parties to such agreement prior to the commencement of the New Lease.

(b) The Leasehold Mortgagee shall pay or cause to be paid to Landlord at the time of the execution and delivery of the New Lease, all sums which would at the time of execution and delivery thereof be due pursuant to this Lease, including interest as required under the terms of this Lease but for such termination and, in addition thereto, all reasonable expenses, including reasonable attorneys' fees, which Landlord shall have incurred by reason of the termination and the execution and delivery of the New Lease and which have not otherwise been received by Landlord from Tenant or other party in interest under Tenant. Upon the execution of the New Lease, Landlord shall allow to the tenant named therein as an offset against the sums otherwise due under this Section, an amount equal to the net income from Arena operations received by

Landlord during the period from the date of termination of this Lease to the date of the beginning of the lease term of the New Lease. In the event of a controversy as to the amount to be paid to Landlord pursuant to this Section, the payment obligation shall be satisfied if Landlord shall be paid the amount not in controversy, and the Leasehold Mortgagee shall agree to pay any additional sum ultimately determined to be due plus interest at the Prime Rate plus 2 percentage points as of the date of the New Lease, and such obligation shall be secured with collateral and documents reasonably satisfactory to Landlord. The parties shall cooperate to determine any disputed amount promptly in accordance with the terms of this Lease. Any such dispute shall be subject to Dispute Resolution in accordance with Section 14 of this Lease.

(c) The Leasehold Mortgagee shall remedy all of Tenant's defaults of which the Leasehold Mortgagee was notified by Landlord's notice of termination, except any default of Tenant which by its terms is not capable of being cured by any Person other than Tenant. Notwithstanding anything to the contrary contained herein, any Leasehold Mortgagee's obligation to cure defaults under this Section 6.3 (in order to adequately effect a Leasehold Mortgagee cure as provided hereunder) shall not extend to any payment obligation accruing more than 60 days before the Landlord gave notice of the default to the Leasehold Mortgagee.

(d) As of the date of the New Lease, the tenant under the New Lease shall have the same right, title and interest in and to the Premises as Tenant had under this Lease prior to its default hereunder, (subject, however, to any intervening liens

arising or accruing on account of Tenant's acts or omissions) and upon the making of such New Lease, the Landlord shall transfer (without recourse or warranty) whatever right, title and interest it may have in all Subleases which have survived termination of the Lease.

(e) If more than one Leasehold Mortgagee shall request a New Lease pursuant to this Section, Landlord shall enter into a New Lease with the Leasehold Mortgagee whose Leasehold Mortgage is prior in lien. Landlord, without liability to Tenant or any Leasehold Mortgagee with an adverse claim, may rely upon a mortgagee's title insurance policy provided and paid for by the claiming Leasehold Mortgagee issued by a responsible title insurance company doing business within Multnomah County as the basis for determining the appropriate Leasehold Mortgagee who is entitled to the New Lease and the Leasehold Mortgagee which executes the New Lease shall, as a condition of the New Lease, indemnify and hold Landlord harmless against any claims by Tenant or other Leasehold Mortgagee with respect to the determination.

6.3.14 Nothing herein shall require any Leasehold Mortgagee as a condition to its exercise of rights hereunder to cure any default of Tenant which by its terms is not capable of being cured by any Person other than Tenant (including, by way of example and not limitation, a default by TBI under the Exclusive Site Agreement), and which is not required to be cured pursuant to the last sentence of Section 6.3.13(c). The financial condition of any Leasehold Mortgagee or successor to Tenant's interest under this Lease or a New Lease shall not be a consideration in the

determination of the capability of cure of a default. No default, the cure of which, and no obligation of Tenant, the performance of which, requires possession of the Premises shall be deemed capable of cure or performance by any Leasehold Mortgagee or successor to Tenant's interest under this Lease or a New Lease not in possession of the Premises, provided the holder is complying with all other requirements described in this Section 6.3, and provided that the holder immediately commences cure of that obligation and diligently prosecutes cure of such obligation to completion upon the holder's taking possession of the Premises; nor shall any Leasehold Mortgagee be required to cure the bankruptcy, insolvency or any related or similar condition of Tenant.

6.3.15 Tenant's share, as provided by Section 9 of this Lease, of the proceeds arising from an exercise of the power of eminent domain shall, subject to the provisions of Section 9, be disposed of as provided for in this Lease.

6.3.16 A Standard Mortgagee Clause naming each Leasehold Mortgagee may be added to any and all insurance policies required to be carried by Tenant hereunder, provided the insurance proceeds shall be applied as specified in this Lease.

6.3.17 Tenant shall give every Leasehold Mortgagee prompt notice of any Dispute Resolution or legal proceedings between Landlord and Tenant involving this Lease or the Premises. If, and only if, Tenant is in default hereunder, each such Leasehold Mortgagee shall have the right to intervene, within 30 days after receipt of such notice of Dispute Resolution or legal proceedings, in any such proceedings and be made a party to such

proceedings, and the parties hereto do hereby consent to such intervention provided that the timing of all aspects of the Dispute Resolution shall not be extended or modified upon such intervention. Whether or not the Leasehold Mortgagees intervene, all Leasehold Mortgagees shall be bound by the outcome of such proceedings. In the event that any Leasehold Mortgagee shall not elect or is not entitled to intervene or become a party to any such proceedings, Tenant shall give the Leasehold Mortgagee notice of, and a copy of any award or decision made in any such proceedings, which shall be binding on all Leasehold Mortgagees not intervening in such proceedings. Whether or not Tenant gives the Leasehold Mortgagee notice of the proceedings, the Leasehold Mortgagee shall be bound by the decision, provided that the Leasehold Mortgagee shall not be bound by a proceeding commenced after a default by Tenant under this Lease unless Landlord gives the Leasehold Mortgagee notice of the proceedings.

6.3.18 So long as any Leasehold Mortgage is in existence, unless all Leasehold Mortgagees shall otherwise expressly consent in writing, the fee title to the Premises and the Leasehold Estate of Tenant created by this Lease shall not merge but shall remain separate and distinct, notwithstanding the acquisition of fee title and the Leasehold Estate by Landlord or by Tenant or by a third party, by purchase or otherwise; provided however that the foregoing shall not apply to a termination of this Lease in accordance with the terms of this Lease.

6.3.19 Notices from Landlord to the Leasehold Mortgagee shall be mailed to the address furnished Landlord pursuant to

Section 6.2.1 and those from the Leasehold Mortgagee to Landlord shall be mailed to the address designated pursuant to the provisions of Section 18.14. Notices, demands and requests shall be given in the manner described in Section 18.14 and shall in all respects be governed by the provisions of that Section.

6.3.20 No payment made to Landlord by a Leasehold Mortgagee shall constitute an agreement that such payment was, in fact, due under the terms of this Lease; and any Leasehold Mortgagee having made any payment to Landlord pursuant to Landlord's wrongful, improper or mistaken notice or demand shall be entitled to the return of any such payment or portion thereof provided it shall have made demand therefor not later than 180 days after the date of its payment and it proves that the payment was not due.

6.3.21 In the event of any proceeding by either Landlord or Tenant under the United States Bankruptcy Code or any other insolvency proceeding:

(a) If the Lease is rejected in connection with a bankruptcy proceeding by Tenant or a trustee in bankruptcy for Tenant, rejection shall be deemed an assignment by Tenant to the Leasehold Mortgagee (or if there is more than one Leasehold Mortgagee, to the one highest in priority) of the Leasehold Estate and all of Tenant's interest under this Lease, in the nature of an assignment in lieu of foreclosure. This Lease shall not terminate and the Leasehold Mortgagee shall have all the rights of the Leasehold Mortgagee under Section 6.4 as if the bankruptcy proceeding had not occurred, unless the Leasehold Mortgagee shall

reject the deemed assignment by notice in writing to Landlord within 30 days following rejection of the Lease by Tenant or Tenant's trustee in bankruptcy. The rights of any Leasehold Mortgagee to a New Lease from Landlord pursuant to Section 6.3.12 shall not be affected if any court of competent jurisdiction shall determine that this Lease shall have been terminated notwithstanding the terms of the preceding sentence as a result of rejection by Tenant or the trustee in connection with any bankruptcy proceeding.

(b) If the Lease is rejected by Landlord or by Landlord's trustee in bankruptcy or other insolvency receiver or similar third party, Tenant shall not have the right to treat this Lease as terminated except with the prior written consent of all Leasehold Mortgagees; and the right to treat this Lease as terminated in that event shall be deemed assigned to each and every Leasehold Mortgagee, whether or not specifically set forth in the Leasehold Mortgage, so that the concurrence in writing of Tenant and each Leasehold Mortgagee shall be required as a condition to treating this Lease as terminated. If this Lease is not treated as terminated, then this Lease shall continue in effect upon all the terms and conditions set forth herein, including Rent and all options to extend, but excluding requirements that are not then applicable or pertinent to the remainder of the Term. Thereafter, Tenant or its successors shall be entitled to any offsets against Rent payable hereunder for any damages arising from the rejection and any offset properly made shall not be deemed a default under this Lease. The lien of any Leasehold Mortgage then in effect

shall extend to the continuing possessory rights of Tenant following rejection with the same priority with respect to each Leasehold Mortgage as it would have had if the rejection had not taken place.

6.4 Rights of Landlord. The rights of a Leasehold Mortgagee hereunder shall not diminish any right or claim of Landlord against Tenant or an Affiliate of Tenant.

6.5 Assignment by Leasehold Mortgagee. Notwithstanding any other provision of this Lease (excepting only the terms of Section 6.3.11), if any Leasehold Mortgagee or other successor in interest shall acquire title to Tenant's interest in this Lease by foreclosure or other sale pursuant to a Leasehold Mortgage or by assignment in lieu of foreclosure or by an assignment from a wholly owned subsidiary corporation of the Leasehold Mortgagee, or under a New Lease pursuant to Section 6.3.13, the Leasehold Mortgagee may assign this Lease and shall thereupon be released from all liability for the performance or observance of the covenants and conditions under the Lease to be performed by Tenant from and after the date of the assignment, provided that the assignee of the Leasehold Mortgagee shall meet the criteria of an approved assignee in accordance with Section 12.3 of this Lease and shall assume this Lease in accordance with Section 6.3.11.

6.6 Mortgagee as Trustee. If the Leasehold Mortgagee is an Institution, the Leasehold Mortgagee may, in lieu of the Trustee of Insurance provided for in Section 8.8 (relating to proceeds of fire and other hazard insurance or condemnation proceeds for use in repair or replacement), hold and disburse any funds which such

Trustee of Insurance would have been entitled to hold and disburse, subject to all the provisions of this Lease applicable to the Trustee of Insurance. Any reference in this Lease to "Trustee of Insurance" shall, where applicable, be deemed to apply to such Leasehold Mortgage.

6.7 No Extension of Time. Nothing in this Section 6 shall extend any time for cure or performance by Tenant, and if a Leasehold Mortgagee exercises its rights under this Section 6, Landlord may tender any further performance under this Lease to such Leasehold Mortgagee, rather than Tenant.

7. DAMAGE OR DESTRUCTION

7.1 Damage or Destruction. On and after the Completion Date, in the event of damage to or destruction of the Improvements, the Kosei Improvements and/or the Plaza Improvements, Tenant shall, within 90 days after such damage or destruction, commence efforts to effect the repair and reconstruction of the Improvements, the Kosei Improvements and/or the Plaza Improvements to substantially the same condition and form as prior to the damage or destruction. The repair or reconstruction of any damage or destruction (collectively "Restoration") shall be made in compliance with then existing Laws and shall be in compliance with the Arena Guidelines.

7.1.1 The funds derived from insurance paid due to the damage or destruction shall be made available to effect the Restoration of the Improvements, the Kosei Improvements and/or the Plaza Improvements.

7.1.2 Provided Tenant complies with Laws, the Arena Guidelines and the CCRs, Tenant may make such alterations to the

Improvements and the Kosei Improvements as Tenant shall reasonably determine prudent under the circumstances, including any changes required to comply with Laws, with then prevailing construction practices or financial or market conditions applicable to the Premises; provided, however, that the restored Premises, the Kosei Premises and/or the Plaza shall have the functional equivalent to those existing immediately prior to the damage or destruction.

7.1.3 If the available insurance proceeds are not sufficient (as determined by an Insurance Surveyor) to cover the cost of all labor, materials and other construction costs, direct and indirect (including but not limited to overhead charges, contractors' fees, architects' fees, payroll and social security charges and taxes) to complete fully the Restoration with first-class quality of workmanship and materials, Tenant shall deposit with the Trustee of Insurance prior to the commencement of any construction work an amount sufficient to pay the shortfall (as estimated by the Insurance Surveyor).

7.1.4 Tenant shall diligently commence and continuously carry out such Restoration to full completion as soon as possible, except to the extent of delays due to Force Majeure. Tenant shall obtain all permits and authorizations required by Governmental Authorities with respect to any Restoration. All Restoration shall be conducted in accordance with all Laws. All Restoration shall be performed by duly licensed, bonded, and qualified contractors. All construction work shall be carried on in accordance with plans and specifications prepared by a licensed architect approved by Landlord if an architect is reasonably required, given the scope

and nature of the work. The Trustee of Insurance may rely upon and accept the certified determinations of the architect with respect to estimated costs, awarding of contracts, sufficiency of bonds, progress of construction, interpretation of plans and specifications and completion of construction. No material extras or changes in approved plans and specifications shall be made by Tenant without first depositing with the Trustee of Insurance additional funds (or assurances satisfactory to the Trustee that the funds will be available to the Trustee when needed) sufficient to pay any extras or charges as certified to the Trustee of Insurance by the architects.

7.1.5 The funds derived from the insurance with respect to the damage or destruction shall be made available to Tenant by the Trustee of Insurance as the work progresses and is certified as acceptable by the architect. The funds shall be made available by the Trustee of Insurance to pay for work and materials to the extent completed and delivered (calculated on the basis of the percentage of the total work and materials to be completed and delivered, and subject to a retention of five percent). The Trustee of Insurance shall also require Tenant to supply in form satisfactory to the Trustee of Insurance evidence of application of funds and payment for all labor and material relating to the construction. The Trustee of Insurance shall disburse the insurance proceeds and the deposit made by Tenant pursuant to Section 7.1.3, if any, using procedures for the disbursement of construction loans followed by commercial banks in Portland, Oregon.

7.2 Prompt Repair. The Restoration shall be effected at Tenant's cost and expense (using any insurance proceeds as provided in this Section). Tenant shall diligently commence and continuously carry out the construction to full completion as soon as possible, except to the extent of delays due to events of Force Majeure.

7.3 Damage or Destruction at End of Term. If there occurs any time after the first 25 years of the Term damage or destruction to any Improvement or Kosei Improvement, and the cost of repairing, restoring, replacing or rebuilding the same exceeds 50 percent of the replacement cost, then Tenant may elect to terminate this Lease. In the event Tenant so elects, Tenant shall give notice to Landlord of its election within 60 days after the determination by the Insurance Surveyor of the amount of the damage, and the Lease shall terminate as of the date of the notice. In such event, all of the proceeds of any applicable insurance policies shall be distributed to Landlord.

7.4 Rent Adjustment. Except as provided in Section 7.3 above, this Lease and the Term shall not terminate because of damage to or destruction of the Improvements, and the obligation to pay Rent shall not be affected. Tenant shall maintain sufficient business interruption insurance to cover Rent, Impositions and all other sums payable by Tenant hereunder during the reconstruction period, and lost Project Revenues to Landlord during the reconstruction period. The amount of Project Revenues shall be determined based on Project Revenues that reasonably could have been anticipated during the reconstruction period had there been no

damage or destruction, less Project Revenues actually received by Landlord during that period.

7.5 De Minimis Damage. Notwithstanding anything to the contrary contained in this Section 7, in the event of damage to or destruction of the Improvements which is estimated by the Trustee of Insurance to cost $50,000 or less, adjusted in accordance with the terms of Section 18.2, to repair or restore, Tenant shall promptly commence efforts to effect the repair and reconstruction of the Improvements, the Kosei Improvements and/or the Plaza Improvements within 90 days after such damage and destruction and thereafter diligently pursue such activities to completion.

7.6 Development Period. Prior to the Completion Date, damage or destruction of the Premises, the Plaza and the Kosei Premises shall be governed by the Development Agreement.

8. INSURANCE

8.1 Acquisition of Insurance Policies. Tenant shall, at its sole cost and expense, procure and maintain, or cause to be procured and maintained, during the entire Term the insurance described in this Section 8 (or its then available equivalent). Policy limits, coverages and deductibles shall be reviewed annually by Landlord and Tenant and shall be adjusted by Landlord and Tenant in their reasonable judgment to reflect inflation, changes in coverage customarily obtained for comparable properties, and other relevant factors, with any disputes being decided by the Trustee of Insurance. By not later than 30 days prior to the Commencement Date, Tenant shall provide Landlord with a copy of all policies required under this Section 8, as well as certificates from the

companies issuing such policies stating that such coverage is in effect. At least 30 days prior to the expiration of any such policy, a copy of the renewal policy shall be provided to Landlord. To the extent allowed by applicable law, Tenant may provide some or all of the insurance required by Section 8 under blanket type policies covering the Project and other property owned by Tenant or an Affiliate of Tenant. Tenant's procurement of the insurance required under this Section 8 shall in no manner affect or limit Tenant's indemnification obligations pursuant to Section 10.3. In the event of an insured loss, Tenant shall be responsible for paying all deductibles.

8.2 Types of Required Insurance. From and after the Commencement Date, without any lapse in insurance coverage, Tenant shall procure and maintain the insurance required under the Development Agreement and this Lease. Prior to the Completion Date, insurance shall be governed by the Development Agreement. From and after the Completion Date, Tenant shall procure and maintain the following:

8.2.1 Commercial General Liability insurance providing, without limitation, the following specific coverages relating to the Premises, the Kosei Premises and the Plaza:

(a) Coverage A - Bodily Injury and Property Damage for premises and operations liability, including products and completed operations, blanket contractual (including but without limitation, coverage for Tenant's indemnification obligations pursuant to this Lease);

(b) Coverage B - Personal and Advertising Injury Liability;

(c) Coverage C - Medical Payments for medical payments due to accidents because of Tenant's operations;

(d) Liquor Liability Endorsement for the serving and selling of alcoholic beverages;

(e) Business Auto Coverage - "Symbol 1" to insure against liability arising out of any automobile including bodily injury and property damage.

Such insurance shall be maintained in an amount not less than $25,000,000, adjusted in accordance with the terms of Section 18.2 and shall provide coverage with respect to any costs or expenses, including attorneys' fees, incurred by Landlord (and Landlord Related Persons) in connection with any covered claim or proceeding.

8.2.2 Commercial Property Insurance - Covering Building and Personal Property providing Special Perils coverage (I.S.O., 1991 Edition, as amended) including endorsements to cover earthquake, flood, debris removal, pollutant clean up and removal, sprinkler leakage, building ordinance coverage, demolition and off premises services due to power failure, in an amount not less than as set forth below and all other Improvements, the Kosei Improvements and the Plaza Improvements and all personal property located at the Premises, Kosei Premises and on the Plaza (except for equipment and personal property owned by Sublessees). The replacement value of the Improvements shall be established as follows: every fifth anniversary of the Arena Opening Date,

Tenant, at its cost, shall cause a qualified Insurance Surveyor skilled in establishing reconstruction costs to appraise fully the actual replacement value of the Improvements and on every anniversary of the Arena Opening Date where that anniversary is evenly divisible by 2 and not 5, then Tenant, at its cost, shall cause a qualified Insurance Surveyor to make an informal determination of the actual replacement value of the Improvements. The policy shall also include an inflation guard endorsement with coverage of at least 1% per calendar quarter. Thus, at any given time the replacement value of the Improvements shall be equal to the most recent Surveyor determined replacement value, adjusted by the inflation guard endorsement and the policy limit shall be 115% of the replacement value so determined. If the parties cannot agree on the Insurance Surveyor within 60 days prior to an Anniversary, then an Insurance Surveyor shall be appointed by the Presiding Judge of the Circuit Court of Multnomah County, Oregon upon the application of either party.

8.2.3 After the Completion Date, during any period of construction or renovation of any Improvements or the Kosei Improvements or the Plaza Improvements, in addition to the other coverages required under this Section 8, standard "all risk" builder's risk insurance (including, without limitation, coverage against collapse), written on a completed value basis, in an amount not less than the projected total cost of construction or renovation of such Improvements as reasonably estimated by Tenant's architect and as approved by Landlord not more than 60 days prior to the commencement of construction or renovation and as thereafter

revised by Landlord and Tenant during the course of such construction or renovation.

8.2.4 Workers' compensation and employer's liability insurance covering all Persons employed by Tenant at or in connection with the Premises, the Kosei Premises and the Plaza in amounts not less than those required by applicable law. Tenant shall require all of its contractors and subcontractors and all others providing construction services on the Premises, the Kosei Premises and the Plaza to provide Tenant with evidence that they are maintaining workers' compensation coverage as required by law.

8.2.5 Beginning on the Completion Date, business interruption, or lost income insurance including extra expense and rental income loss against hazards covered by Commercial Property Insurance in 8.2.2, in an amount not less than (a) $4,000,000 as adjusted in accordance with Section 18.2 for the first complete Lease Year after the Arena Opening Date as defined in the Development Agreement (a pro rata amount for the first partial Lease Year, if any, after the Arena Opening Date) and (b) thereafter, an amount equal to the total of all Impositions and Project Revenues received by Landlord on account of the Arena, the three Sign Pads and Tenant's advertising and vending rights pursuant to Section 17 for the immediately preceding Lease Year. Proceeds of this insurance shall be available for at least an 18-month period to permit time for construction of the Improvements, the Kosei Improvements and the Plaza Improvements after a casualty.

8.2.6 Such other and additional insurance, in such amounts as may from time to time be reasonably required by Landlord

or by law, as is customary with respect to facilities and/or personal property comparable to the Premises, the Kosei Premises and the Plaza and the personal property located at the Premises, the Kosei Premises and/or the Plaza.

8.3 Terms of Insurance. The policies required under Section 8.2 shall:

8.3.1 Be written as primary policies not contributing with and not in excess of coverage that Landlord may carry.

8.3.2 Name Landlord and Landlord Related Persons as additional insureds.

8.3.3 Expressly provide that Landlord shall not be required to give notice of accidents or claims and that Landlord shall have no liability for premiums.

8.3.4 Provide that such policies shall not be renewed, canceled, or materially modified without 30 days' prior written notice to Landlord.

8.3.5 Be fully paid for and not assessable.

8.3.6 Be issued by an insurer of recognized standing, rated "A-VIII" or better as established by Best's Rating Guide or an equivalent rating issued by such other publication of a similar nature as shall be in current use, and licensed to do business in the State of Oregon.

8.3.7 Be written on an "occurrence" basis, rather than on a "claims made" basis.

8.3.8 Provide that no act or omission (other than nonpayment of premium) of Tenant or any other insured party shall

affect or limit the obligation of the insurer to pay the amount of any loss sustained.

8.3.9 Provide that the insurer waives subrogation as to any rights to recovery resulting from the conduct of Landlord and Landlord Related Persons.

8.4 Landlord's Acquisition of Insurance. If Tenant at any time during the Term fails to procure or maintain insurance required hereunder, or to pay the premiums for such insurance, Landlord shall have the right but not the obligation after 10 days' prior written notice to Tenant to procure the insurance and to pay any and all premiums for such insurance. Any amounts paid by Landlord in connection with the acquisition of insurance shall be immediately due and payable as additional Rent, and Tenant shall pay to Landlord upon demand the full amount paid by Landlord, together with interest thereon at the Prime Rate plus 2 percentage points from the date of the expenditure by Landlord until repayment by Tenant. The ten-day notice requirement in this Section 8.4 shall satisfy the ten-day notice requirement found in Section 13.6 of this Lease.

8.5 Insurance Money and Other Funds Held in Trust. All insurance money or condemnation proceeds as provided in Section 9 shall be delivered to the Trustee of Insurance, held in trust and shall be applied as follows:

(a) First, for the purpose of defraying the cost of repairing, restoring, replacing and/or rebuilding any Improvement as provided in Section 7 hereof; and

(b) Second, if any funds remain, the funds shall be disposed of as provided in Section 8.7.

8.6 Application of Proceeds of Physical Damage Insurance. In case of any insurance policies as described in Section 8.2.2 (physical property damage insurance), the disbursement of insurance proceeds from damage or loss to property held by the Trustee of Insurance for the purpose of defraying the cost of Restoration shall be made in accordance with Section 7. In the event of such Restoration, the Trustee of Insurance shall apply the insurance proceeds to the cost of the work upon receipt of a certificate of progress and/or completion in form satisfactory to the Trustee of Insurance issued by the architect or engineer in charge of the work. Upon completion of the construction, and the full payment therefor (so no liens, encumbrances or claims with respect thereto can be asserted against the Premises, the Kosei Premises and/or the Plaza, this Lease, Landlord or Tenant), any insurance proceeds received by the Trustee of Insurance with respect to the damage or destruction involved, and not used, shall be distributed in accordance with Section 8.7.

8.7 Distribution of Unutilized Proceeds. At the termination of this Lease, any insurance proceeds or condemnation awards not used for repair, replacement or reconstruction, shall be paid to Landlord and Tenant, and shall be divided between them according to their respective interests in the Improvements, the Kosei Improvements and the Plaza Improvements. After termination of the Plaza Lease, Tenant shall have no right to proceeds of insurance on account of the Plaza, except to the extent proceeds are derived

from damage or destruction to Tenant's personal property (including without limitation Signage) located on the Plaza, or loss of income from the Plaza. If Landlord and Tenant cannot agree on the division of insurance proceeds, the matter shall be decided by Dispute Resolution under Section 14. Notwithstanding the above, if there are insurance proceeds remaining because Tenant failed to restore the Improvements, the Kosei Improvements and/or the Plaza Improvements as required under this Lease or because Tenant elected not to restore pursuant to Section 7.3, the proceeds shall be paid to Landlord, but such proceeds shall not be in lieu of any other remedies available to Landlord pursuant to the terms of this Lease.

8.8 Powers and Duties of Trustee of Insurance.

8.8.1 The Trustee of Insurance shall be an Institution with an office located in Portland, Oregon with authority to hold escrow funds. The Trustee of Insurance shall be agreed upon by Landlord and Tenant, but if they are unable to agree, the Trustee of Insurance shall be designated by the Presiding Judge of the Circuit Court of the State of Oregon for Multnomah County. Upon the occurrence of loss covered by insurance, Tenant shall deliver the applicable insurance policy to the Trustee of Insurance. The Trustee of Insurance shall receive in trust the proceeds of physical property damage insurance and make disbursements thereof as provided in Sections 7 and 8.6, as applicable. The Trustee of Insurance shall recognize that one of the primary objectives of the parties is to ensure that disbursements of funds held by the Trustee of Insurance will be paid in a manner which will mitigate against the imposition of liens or encumbrances upon the Premises.

Receipt and disbursement of other types of insurance proceeds shall be made in accordance with this Lease, or as otherwise approved by Landlord and Tenant, and may be undertaken by the Trustee of Insurance upon written agreement with Landlord and Tenant.

8.8.2 The Trustee of Insurance shall not be responsible for the collection of any moneys or the failure or refusal of any insurance company or third person or corporation from whom money may be due to pay the same. However, the Trustee of Insurance, in case of failure or refusal of any insurance company or third person or corporation to pay any policies or money due, shall use all proper and legal means in conjunction and cooperation with Landlord and Tenant to recover the sums due, but at the expense of Tenant, to be reimbursed from the insurance proceeds.

8.8.3 All the fees and charges of the Trustee of Insurance shall be shared equally by Landlord and Tenant. The Trustee's fee shall be based on its then current annual minimum fee plus out-of-pocket expenses. Administrative time is to be charged at the then prevailing hourly rate for such service.

8.8.4 If the Trustee of Insurance should merge into any other Institution or change its corporate name or should transfer its trust business to any other Institution, the successor institution shall succeed to all the powers, duties and authority given to Trustee of Insurance hereunder.

8.8.5 The Trustee of Insurance may resign upon giving 30 days' notice in writing to Landlord and Tenant of its desire to resign. Upon receipt of written notice, or if the Trustee of Insurance refuses to serve, Landlord and Tenant shall promptly

mutually agree upon a successor or alternate Trustee of Insurance and, in the event they are unable to agree upon a successor or alternate trustee during the 30 days, either Landlord or Tenant may apply to the Presiding Judge of the Circuit Court of the State of Oregon for Multnomah County, to name a successor Trustee of Insurance, which shall be an Institution. The appointment of the successor Trustee of Insurance shall be binding upon both Landlord and Tenant. The successor Trustee of Insurance shall be entitled to receive from the former Trustee of Insurance all securities or moneys or policies held by it, and shall be vested with all the rights and powers conferred upon the original Trustee of Insurance.

8.8.6 The Trustee of Insurance shall invest any insurance proceeds received as directed in writing jointly by Landlord and Tenant. If Landlord and Tenant cannot agree to the investments to be made, the Trustee of Insurance may invest the funds in one or more of the following types of bonds and securities:

(a) Bills, certificates, notes or bonds of the United States;

(b) Other obligations of the United States or its agencies;

(c) Obligations of any corporation wholly owned by the Government of the United States;

(d) Indebtedness of the Federal National Mortgage Association; and

(e) Time deposits in commercial banks.

In making investments in one or more types of bonds and securities, the Trustee of Insurance shall be mindful of the probable necessity of payments from time to time of portions of the insurance proceeds and shall select investments with appropriate maturities. Income from the investments shall be treated as part of the insurance proceeds held by Trustee of Insurance.

8.8.7 No Trustee of Insurance shall be required if the total amount of insurance proceeds payable in connection with any damage or destruction is $50,000 or less, adjusted in accordance with the terms of Section 18.2. In such event, the insurance proceeds shall be paid directly to Tenant, and shall be disbursed for reconstruction in the manner required of the Trustee of Insurance.

8.9 Insurance Surveyor. The determination required under Section 7.1.3 and Section 8.2.2 shall be made by an Insurance Surveyor, whose decision shall not be subject to dispute resolution. If the parties cannot agree on the Insurance Surveyor for purposes of Section 7.1.3, within 30 days after the date of such damage or destruction, then one shall be appointed by the Presiding Judge of the Circuit Court of Multnomah County, Oregon upon the application of either party.

8.10 Waiver of Subrogation. Tenant hereby releases Landlord and Landlord Related Persons from any and all liability or responsibility (to Tenant or anyone claiming through or under Tenant by way of subrogation or otherwise) for any loss or damage to real or personal property on the Premises, the Kosei Premises or the Plaza caused by fire or any other insured peril, even if the fire or other casualty shall have been caused by the fault or

negligence of Landlord or anyone for whom the party may be responsible, to the extent insurance proceeds are available from the fire or insured peril. Tenant shall procure insurance policies with such waiver of subrogation and with an endorsement to the effect that the release shall not adversely affect the policies or prejudice the right of the releasor to recover thereunder.

8.11 Unavailability; Reassessment.

8.11.1 If insurance coverage for a risk as required under this Lease shall not be obtainable, Tenant shall so notify Landlord. The requirement that such coverage be in effect shall be suspended during such time as such coverage shall not be obtainable. However, substitute policies or endorsements with comparable coverage shall be obtained if reasonably possible as follows: During any period of time that (i) 75 percent or more of arena facilities in the United States which have historically carried the coverage in question have discontinued, due to coverage being unobtainable, or obtainable only at excessively high costs, any insurance coverage required to be carried by Tenant in this Section 8 and (ii) there is no such coverage available through a pool arrangement, Tenant's obligation to carry such coverage in the amounts required in this Section 8 shall be suspended for as long as the above criteria are met, provided Tenant complies with the following procedure:

(a) Prior to suspending the coverage, Tenant shall give Landlord 90 days' written notice of its intention to discontinue carrying the coverage. The notice shall specify the premium quoted to Tenant for the coverage and evidence that 75

percent or more of arena facilities in the United States have discontinued such coverage and have not substituted for the coverage risk pooling alternatives that are available to such facilities; and

(b) At least 30 days prior to suspending the coverage, Tenant shall demonstrate to Landlord that no reasonable insurance pools are available to replace the coverage and, if sufficiently demonstrated, Tenant shall obtain insurance or other financial assurance reasonably acceptable to Landlord to replace the discontinued coverage and shall give Landlord an opportunity to review the extent and terms of alternate insurance or assurance, in an amount sufficient to cover:

(i) the unpaid balance of the Project Bonds and continuing Project Expenses in excess of Project Revenues and;

(ii) the amount necessary to demolish the Improvements, remove the debris and restore the Property, the Kosei Property and the Sign Pads to a level building site with underground utilities in place, ready for future development.

Any dispute regarding this Section 8.11 shall be subject to Dispute Resolution pursuant to Section 14. The Dispute Resolution process shall be completed and resolved in Tenant's favor before Tenant suspends the coverage. At any time that the criteria for suspension are no longer met, Tenant's obligation to carry the suspended insurance coverage shall be reinstated.

9. CONDEMNATION

9.1 Total Taking. In the event of the taking or condemnation by any competent authority for any public use or purpose (a "Taking") of the whole of the Premises at any time during the Term:

9.1.1 The Term shall end as of the date of possession by the condemnor, and all rent and other payments shall be apportioned as of the date of possession.

9.1.2 Landlord and Tenant shall share any award (including interest from the date of the Taking to the date of payment) according to their respective interests in the Premises except that the award for attorneys' fees and other costs shall be shared by the parties in proportion to the attorneys' fees of both outside and inside counsel paid by each party on account of the condemnation proceedings. The values of the Landlord's and Tenant's respective interests in the Premises shall be established by the same court of law or other trier of fact that establishes the amount of the condemnation award, but if there is no court of law available or willing to determine Landlord's and Tenant's respective interests, those interests shall be determined by agreement of Landlord and Tenant, or, if they cannot agree, then by Dispute Resolution pursuant to Section 14.

9.2 Substantial Taking. As used in this Section, a Substantial Taking means a Taking of materially all of the Premises where the remaining part of the Premises not so taken cannot be adequately restored, repaired or reconstructed as an Arena. In the event of a Substantial Taking, and the part of the Premises that remains includes a part of the Improvements, then the condemnation

shall be treated as a Total Taking under Section 9.1, and the award shall be distributed in accordance with Section 9.1.2.

9.3 Partial Taking. In the event of a Taking of less than materially all of the Premises (a "Partial Taking"):

9.3.1 The Term (except as hereinafter provided) shall nevertheless continue, but Rent shall thereafter be reduced by the same proportion that the fair market rental value of the Property was reduced due to the Partial Taking. If the parties cannot agree upon a just proportion of Rent to be abated, the amount shall be determined by Dispute Resolution pursuant to Section 14. There shall be no abatement of Rent if (a) no portion of the Property is taken in any such taking or condemnation, or (b) a portion of the Property is taken but the income-generating capacity of the Improvements is not affected.

9.3.2 The award from a Partial Taking shall be distributed first to Tenant for the restoration and repair of the Improvements as provided in 9.3.3, then to Landlord in an amount equal to the fair market value of the Property taken (subject to the Lease) and any remainder to Landlord and Tenant proportioned until each has received an amount equal to its proportional interest in the Premises as provided in Section 9.1.2.

9.3.3 If the Lease is not terminated, then, as to the Premises not taken in the condemnation proceeding, Tenant shall proceed diligently to make an adequate restoration, repair or reconstruction of the part of the Premises not taken. Tenant shall restore, repair or reconstruct the Premises, to the extent practicable, to a functional unit of substantially the same

usefulness, design, construction, quality, and to a condition having the same income-generating capability of the Premises prior to the Taking. In connection with such restoration, repair, and reconstruction, Tenant shall comply with the provisions of Section 7 regarding Restoration as if occurring after an event of damage or destruction.

9.4 Degree of Taking. If the parties cannot agree on whether the Taking is a Partial Taking or a Substantial Taking, the degree of the Taking shall be determined by Dispute Resolution pursuant to Section 14.

9.5 Successive Takings. In case of any additional Partial Taking or Takings from time to time, the provisions of Section 9.3 shall apply to each Partial Taking.

9.6 Temporary Taking. If the whole or any part of the Premises or of Tenant's interest under this Lease be taken or condemned by any competent authority for its temporary use or occupancy ("Temporary Taking"), Tenant shall continue to pay the full amounts of Rent, and all Impositions and other sums payable by Tenant hereunder. Tenant shall maintain sufficient business interruption insurance to cover Rent, Impositions and other sums payable by Tenant hereunder during the period of Temporary Taking, and Project Revenues to Landlord during the period of the Temporary Taking. The amount of Project Revenues shall be determined based on Project Revenues that reasonably could have been anticipated during the period of Temporary Taking had there been no Temporary Taking, less Project Revenues actually received by Landlord during that period. This Lease shall continue and, except only to the

extent that Tenant may be prevented from so doing pursuant to the terms of the order of the condemning authority, Tenant shall perform and observe all of the other terms, covenants, conditions and obligations hereof upon the part of Tenant to be performed and observed, as though the Taking had not occurred. In the event of any Temporary Taking, Tenant shall be entitled to receive the entire amount of any award made for the Taking, whether paid by way of damages, Rent or otherwise, unless the period of temporary use or occupancy shall extend to or beyond the expiration date of the Term of this Lease, in which case the award shall be apportioned between Landlord and the Tenant as of the date of expiration of the Term.

9.6.1 Tenant shall not have the right to seek to secure or to receive compensation for any economic impact on the Arena due to the performance of street improvements, I-5 freeway improvements, or light rail improvements, provided the Temporary Taking resulting from the work on such improvements does not last for more than two continuous years.

9.7 Insurance Trustee. To the extent Tenant is obligated to repair or restore under this Section, any portion of condemnation proceeds awarded to Tenant shall be deposited with the Trustee of Insurance who shall act in accordance with the terms of Section 8.

9.8 Development Period. This Section shall apply to condemnation on or after the Completion Date. Prior to the Completion Date, condemnation will be governed by the Development Agreement.

9.9 Sign Pads. In the event of a Taking by any competent authority of either of the Sign Pads, this Lease shall be amended to delete the legal description of the Sign Pad so taken, and to substitute the legal description of a location on the Project Site reasonably suitable for a replacement Sign Pad. Tenant shall bear the cost of moving or otherwise relocating the pylon to the relocated Sign Pad. Tenant shall have no claim against Landlord, or (only if the Taking is for transportation rights of way for rail or road purposes) against any condemning authority, for damages on account of a Taking. The substitute Sign Pad shall be of similar size as the Sign Pad that was taken by the condemning authority, and shall be in any location that is reasonably acceptable to Landlord and Tenant and does not impair the function of other Improvements on the Project Site and affords similar visibility to the extent reasonably practicable.

10. TENANT COVENANTS; OBLIGATIONS; RIGHTS; MANAGEMENT

10.1 Compliance by Tenant. Tenant shall at all times during the Term, at Tenant's sole cost and expense, perform and comply with all Laws pertaining to the Premises, the Kosei Premises, the business of Tenant conducted with respect thereto, and exercise of Tenant's rights and obligations under Section 17. All Subleases shall require Sublessees to perform and comply with all Laws pertaining to the Premises, the Kosei Premises and the business of the Sublessee conducted with respect thereto. Tenant shall be responsible for enforcing compliance with this Section 10.1 by Sublessees.

10.2 Operations; Maintenance. Tenant shall at all times during the Term, develop, operate and maintain the Premises and the Kosei Premises as first-class improvements in accordance with the then prevailing standards for similar properties of equivalent age, in good operating order and condition. Without limiting the generality of the foregoing, Tenant shall be responsible to maintain subsurface support for the portion of the Plaza which is located above the Subsurface Property and to maintain in good condition the membrane between the Subsurface Property and the Plaza above the Subsurface Property.

10.3 Control and Indemnification. Except as otherwise provided in this Lease or in the Development Agreement, during the Term Tenant shall have exclusive control and possession of the Premises and Landlord shall have no liabilities, obligations or responsibilities whatsoever with respect thereto.

10.3.1 Tenant shall defend, indemnify and hold harmless Landlord and Landlord Related Persons from and against any and all liabilities, losses, obligations, penalties, fines, damages, claims, suits, costs, remediation costs, and expenses including, without limitation, attorneys' fees (collectively, "Damages") which may be imposed upon, incurred by, or asserted against Landlord or any of Landlord Related Persons on account of the Premises, the Kosei Premises or Tenant's rights and obligations under Section 17 and arising from any of the following:

(a) Any conduct, act, or omission of Tenant or Tenant's directors, officers, partners, employees, agents,

contractors, subcontractors, licensees, or invitees occurring during the Term.

(b) Any accident, injury, death, or damage caused to any Person or to the property of any Person from whatever cause occurring during the Term on or about the Premises or the Kosei Premises, or related to Tenant's rights and obligations under Section 17.

(c) Any use, non-use, possession, occupation, operation, scheduling, advertising, marketing, promotion, maintenance, repair, licensing, provision of concessions, Restoration, or management of or at all or any part of the Premises or the Kosei Premises or related to Tenant's rights and obligations under Section 17.

(d) Any uncured default of any obligation of Tenant under this Lease or under any other agreement affecting any part of the Premises or the Kosei Premises or related to Tenant's rights and obligations under Section 17.

(e) Construction of any Improvements of or at the Premises or the Kosei Premises, or related to Tenant's rights and obligations under Section 17.

Notwithstanding the foregoing, the above indemnification shall apply to Landlord only in its capacity as landlord under this Lease. Tenant shall not indemnify Landlord for (a) any acts or omissions of Landlord performed in its capacity as a Sublessee in the Premises or as a municipality, including without limitation its governmental, legislative, judicial, regulatory or administrative capacity; (b) any items which Landlord is required to indemnify

Tenant against, including without limitation indemnities of Landlord contained in this Lease or the Development Agreement; or (c) any liability arising from the presence of Hazardous Substances, except as expressly provided in Section 2.6 above.

10.3.2 The obligations of Tenant under this Section 10.3 shall not in any way be affected or limited by the absence in any case of insurance coverage or by the failure or refusal of any insurance carrier to perform any obligation on its part to be performed under insurance policies affecting the Premises, the Kosei Premises or the Plaza.

10.3.3 If any claim, action, or proceeding is made or brought against Landlord or any of Landlord Related Persons by reason of any event or condition described in Section 10.3.1, for which Tenant is indemnifying Landlord then, upon demand by Landlord or the affected Landlord Related Person(s), Tenant, at Tenant's cost and expense, shall resist and defend such claim, action, or proceeding in the name of Landlord or such Landlord Related Person(s) by the attorneys for Tenant's insurance carrier (if such claim, action, or proceeding is covered by insurance), or by such attorneys as Tenant shall select subject to the reasonable approval of Landlord. Notwithstanding the foregoing, after notice to Tenant, Landlord or such Landlord Related Person(s) shall have the right to appear, defend, or otherwise take part in such claim, action, or proceeding, at the election of Landlord or such Landlord Related Person(s), by counsel of its or their own choosing, at their own expense.

10.3.4 The obligations of Tenant set forth in Section 10.3.1 shall not be diminished, altered, or affected by the approval (prior to or after the fact), whether explicit or implied by Landlord, either exercising Landlord's rights under this Lease or in the exercise of its regulatory authority, of any plan, action, or activity for which Tenant obtained Landlord's approval either as required by this Lease or as required by any ordinance of Landlord, even if such plan, action, or activity approved by Landlord has a factual basis, in whole or in part, for a claim for which Landlord is entitled to indemnification pursuant to Section 10.3.1.

10.4 Surrender Upon Termination. Tenant shall deliver to Landlord an operating Arena at the end of the Term which shall include the Operating Trade Fixtures (or permitted substitutions thereof), and fixtures which are necessary to operate the Plaza and a first class Arena of its then age and condition for all its purposes including holding basketball games, hockey games, and other Plaza and Arena events. Upon expiration or earlier termination of this Lease, Tenant shall remove all personal property, and shall surrender to Landlord the Premises and the Kosei Improvements and any plans and specifications, surveys, keys, operating manuals, and operational information relating thereto in Tenant's possession or which is within Tenant's control. Notwithstanding the above, (a) Tenant shall leave on the Premises and the Kosei Premises the trade fixtures listed on Exhibit 10.4 ("Operating Trade Fixtures"), which are necessary for operation of the Plaza and the Arena and (b) Landlord may elect to purchase

Tenant's trade fixtures (that are not Operating Trade Fixtures which Tenant is leaving on the Premises pursuant to Section 10.4(a)) equipment and other personal property (together "Personal Property") pursuant to Section 10.4.3.

10.4.1 At the end of the term, Tenant may remove any of the Operating Trade Fixtures then in use, provided Tenant leaves in the Arena, and Tenant properly installs in good working order, a substitute high quality new or used Operating Trade Fixture that meets all applicable standards of professional sports teams that use the Arena as their home playing site. However, in lieu of accepting a substitute Operating Trade Fixture Landlord shall have the option of purchasing from Tenant any Operating Trade Fixture that Tenant intended to remove in accordance with this Section 10.4.1. Tenant shall give Landlord notice of its intent to install a substitute Operating Trade Fixture at least one year prior to the end of the Term. The notice shall include a description of the item, a description of the substitute item, the cost and useful life of the substitute item and the estimated fair market value of the item being removed. Landlord shall have one month to elect to purchase the Operating Trade Fixture Tenant intends to remove. The purchase shall be governed by Section 10.4.2.

10.4.2 If Tenant determines that it may be prudent to acquire new Operating Trade Fixtures during the Term, Tenant may propose to Landlord that Landlord consider electing immediately to purchase the new Operating Trade Fixture from Tenant at the end of the Term. Tenant shall give Landlord notice of the contemplated purchase, including a description of the item, the cost, and the

estimated fair market value at the end of the Term. Landlord shall have one month after receipt of the notice to determine whether it will elect to purchase the item at the end of the Term. If Landlord elects to purchase the item, Landlord's election shall be irrevocable, and Landlord shall purchase the item at the end of the Term as provided in Section 10.4.3. Landlord's decision not to elect at that time to purchase the item at the end of the Term shall not preclude Landlord from electing to purchase the item if Tenant elects to remove it and install a substitute item pursuant to Section 10.4.1. The estimate of fair market value given to Landlord pursuant to this Section shall not be binding on the parties at the time Landlord purchases the item from Tenant.

10.4.3 At the end of the Term, Landlord may acquire any tangible Personal Property reasonably necessary to the operation of the Plaza and the Arena that Tenant has the right to remove except Personal Property that constitutes a business record. Any tangible Personal Property acquired by Landlord shall also include a perpetual, non-exclusive, non-transferable (except in connection with a transfer of the tangible Personal Property in which such intellectual property is incorporated or an integral part), royalty-free license to use any intellectual property including copyrights, trademarks, patents, or trade secrets to the extent that such intellectual property is incorporated into and an integral part of any acquired tangible Personal Property, unless such rights are not transferable by Tenant. If Landlord elects to purchase any of the Personal Property described in this Section, Landlord shall pay Tenant an amount equal to the fair market value

of the Personal Property being purchased. In determining the fair market value of the Personal Property being purchased, the value of the right to use any intellectual Personal Property which may be incorporated into and an integral part of such Personal Property shall be given due consideration. If the parties cannot determine the fair market value of the Personal Property, the question shall be submitted to Dispute Resolution pursuant to Section 14.

10.4.4 Tenant shall not remove, without replacing and properly installing with similar high quality items in good working order and condition that meet any applicable standards of professional sports teams that use the Arena as their home playing site, any appurtenant fixtures, machinery, equipment, or Operating Trade Fixtures or any additions to or replacements thereof made during the Term, it being the intent of the parties that upon expiration or earlier termination of this Lease, Landlord shall receive an operating facility in the condition required by this Lease.

10.4.5 Any personal property in the Arena not removed by Tenant within 45 days after the end of the Term shall be considered abandoned and Landlord may dispose of such property in accordance with the law governing abandoned property in effect at the time of abandonment. Tenant shall pay, on demand by Landlord, the costs incurred by Landlord (if any) to store and/or to dispose of such abandoned personal property.

10.5 Signage, Advertising and Displays.

10.5.1 As used in this Lease "Signage" means signs, banners, and similar graphic media that may be displayed on a

building, structure, post or similar support. As used in this Lease "Advertising" means commercial displays containing the name, logo or trademark of a Sponsor. Signage and Advertising, together with other commercial and non-commercial displays, are collectively referred to in this lease as "Displays."

10.5.2 As used in this Lease "Informational Signs" means the signage containing the name of a building in the Project, the name, trademark or logo of Sublessees for identification of their places of business, the address of a building in the Project, the designation "Box Office" or similar generic name associated with a ticketing office and the identification of the location of other areas of the Premises.

10.5.3 Provided Tenant complies with all laws relating to signs, Tenant may erect:

(a) Any form of Informational Signs on the exterior of the Premises;

(b) Three reader board marquees on the exterior of the Arena to impart information to the general public. To qualify under this Section 10.5.3, the reader board marquee shall not contain paid Advertising of a Sponsor, or any other paid promotions or announcements except that it may designate the official name of an event for which a Sponsor's name is part of such official name of the event such as "Delta Airlines Grand Floral Parade." For a reader board marquee to qualify under this Section, the Sponsor's logo may be included with the Sponsor's name only if the logo is part of or incorporated into the official name of the event; and

(c) Any form of interior Displays on the Premises except Displays placed beyond three feet of a window or which is not visible from the exterior of the building.

10.5.4 All other Displays, (including without limitation additional reader board marquees, Advertising on any reader board marquees, and other Advertising and Signage) are neither endorsed nor prohibited by Landlord and shall comply with all Laws. If Landlord objects to Tenant's proposed Displays under this Section 10.5, Landlord shall have the right to raise its objections in any applicable regulatory proceedings.

10.5.5 Tenant shall promulgate a reasonable plan on or before October 31, 1993 setting forth reasonable policies and standards regarding Displays. Until Tenant promulgates such plan, delivers a copy of the plan to Landlord and consults with Landlord, Tenant shall not erect Displays (other than temporary Displays in connection with construction) except that Tenant may erect: a) one media pylon on each of the Three Sign Pads, b) the three readerboard marquees referred to in Section 10.5.3(b), and c) necessary traffic directional Informational Signs designed by Tenant's sign consultant. Tenant will consult with Landlord concerning the policies and standards and amendments thereto, and will seriously consider Landlord's suggestions. Tenant will comply with and enforce Sublessees' compliance with such policies and standards. All Displays shall be reasonable in number and location. The character and quality of the Displays shall be complementary to the Improvements, the Kosei Improvements and the Plaza Improvements. Tenant shall submit a copy of the plan (and

all amendments thereto) to Landlord and shall consult with Landlord prior to implementing the plan or any amendments thereto.

10.5.6 Tenant shall give Landlord written notice of its intent to place exterior Displays or interior Displays within three feet of a window which are visible from the exterior of a building on the Premises at least 20 business days prior to submission of an application for Display approval to the appropriate government agency. The notice shall include plans and specifications depicting the proposed Display. Tenant shall seriously consider Landlord's suggestions with respect to the proposed Display.

10.5.7 Upon the expiration or earlier termination of the Lease, all Displays shall become the property of Landlord, except Displays that are the property of Persons other than Tenant or Affiliates of Tenant. Tenant shall cause all Displays which are the property of Persons other than Tenant or Affiliates of Tenant to be removed on or before the expiration or earlier termination of this Lease. Tenant shall promptly repair all damage caused by such removal. At Landlord's option, Tenant shall remove all Displays owned by Tenant and any Affiliate of Tenant on or before the expiration or earlier termination of the Lease and repair promptly any damage caused by the removal of the Displays. In no event shall Tenant or any Persons claiming through Tenant have the right to erect or maintain Displays on the Premises or the Plaza (or to earn income therefrom) on and after the expiration or earlier termination of this Lease. Notwithstanding the above, a Sublessee entitled to Nondisturbance from Landlord under Section 12.2 shall

have the right to continue to display Informational Signs until the Sublease terminates.

10.6 Naming Rights. The Development Agreement permits Tenant to name the Arena or to sell or grant a license for naming rights for the Arena to a third party, subject to certain conditions. The naming rights of Tenant or of any third party shall terminate at the expiration of the Term or any earlier termination of this Lease.

10.7 Inspection of Premises and Kosei Premises. Landlord and Landlord's agents, employees, and representatives shall be entitled, from time to time, at reasonable times and upon reasonable notice to Tenant, to go upon and into the Premises and the Kosei Premises for the purpose of inspecting them and for posting notices of non-responsibility. Landlord shall assume no duty or liability with respect to the Premises or their maintenance as a result of such inspection. During the last six months of the Term or after an Event of Default, Tenant shall permit inspection of the Premises and the Kosei Premises at reasonable times and for reasonable periods by or on behalf of prospective tenants and prospective purchasers. Landlord may post notices of nonresponsibility on the Premises and the Kosei Premises.

10.8 Authority. Tenant has the authority to enter into this Lease, and its execution and delivery by Tenant has been duly authorized.

10.9 Budgets. No later than February 1 of each year Tenant shall prepare and submit to Landlord a statement projecting Repair, Maintenance and Capital Repair and Maintenance costs for the Plaza

and a schedule for performance of those items ("Maintenance Schedule") for the following City fiscal year. If Landlord does not object within 60 days, the proposed Maintenance Schedule shall be deemed approved. If Landlord disagrees with the proposed Maintenance Schedule, Landlord may give notice of the specific disagreement to Tenant within 60 days of submission. If Landlord and Tenant cannot agree on the Maintenance Schedule within 10 days after Landlord gives Tenant notice of disagreement, either party may initiate Dispute Resolution. The arbitrator shall determine the appropriate Maintenance Schedule based on the Maintenance Schedule a prudent property owner would establish.

11. CITY COVENANTS; OBLIGATIONS; RIGHTS

11.1 Title. The title to the Land is vested in Landlord subject only to the encumbrances shown on Exhibit 11.1. Except for liens or encumbrances created by or through Tenant, or based upon Impositions which are the responsibility of Tenant under this Lease, Landlord shall not, after the date hereof, agree to or create any liens or encumbrances on its interest in the Premises, except encumbrances in writing that are specifically subject and subordinate to this Lease and any New Lease.

11.2 Quiet Enjoyment. Provided Tenant is not in default under this Lease, Tenant at all times during the Term shall have the right to peacefully and quietly have, hold and enjoy the Premises, subject to the terms of this Lease and the terms of the CCRs.

11.3 Limitation on Warranties. Except as may be expressly set forth in the Development Agreement, Landlord makes absolutely no

warranty whatsoever with respect to the condition or any aspect of the Premises.

11.4 Rights of Sublessees. Notwithstanding the provisions of Section 10.8, the rights of Landlord to enter into any portion of the Premises which are subject to a Sublease shall be subject to the rights of tenants under all applicable laws and to any special restrictions contained in a Sublease to any Sublessee except an Affiliate of Tenant (excluding Trail Blazers Inc.) of which Landlord has received prior written notice. This restriction shall not apply to Landlord in its capacity as a regulatory agency, but only as the landlord under this Lease.

11.5 Authority. Landlord has the authority to enter into this Lease, and its execution and delivery by Landlord has been duly authorized.

12. SUBLETTING AND ASSIGNMENT

12.1 Subletting. Tenant shall have the right to Sublet all or any part of the Improvements for any time or times during the Term for terms not to exceed the Initial Term of this Lease and the Extension Periods if exercised, and Completion Term if exercised. However, the Subletting of all or substantially all of the Premises to a Person for substantially all of the remaining Term shall be considered an assignment of this Lease which shall be restricted pursuant to the provisions of Section 12.3. Tenant shall not enter into a Sublease which extends beyond the term of this Lease (unless by its terms, the Sublease terminates automatically on termination of this Lease.) All Subleases shall be in writing and shall be expressly subject to the terms of this Lease, except that licenses

for use of Special Seats entered into or distributed to prospective licensees before execution of the Development Agreement shall not be required to contain a written statement confirming that they are expressly subject to the terms of this Lease.

12.2 Limited Nondisturbance of Sublessees.

12.2.1 Except as provided below, any Sublessee under a booking agreement or similar license for use of the Arena on a certain date shall be entitled to Nondisturbance, provided the date of the booking is not more than two years after the Landlord Possession Date.

12.2.2 Any Sublessee under a confirmed and fully executed booking agreement or license for use of the Arena in connection with a convention shall be entitled to Nondisturbance, provided the date of the booking is not more than five years after the Landlord Possession Date.

12.2.3 Any Sublessee that is a professional sports team which uses the Arena as its regular home playing facility shall be entitled to Nondisturbance for five years after the Landlord Possession Date. Any such Sublessee may terminate its Sublease after the third year after the Landlord Possession Date, provided the Sublessee gives Landlord one year's prior written notice of the date the Sublessee intends to terminate.

12.2.4 A Person that is obligated or entitled to perform services for Tenant in connection with the Arena, but which has no contractual right to possess or use the Arena in connection with the performance of the services (such as marketing) shall not be entitled to Nondisturbance, and shall not be entitled to notice

prior to Landlord's termination of the agreement with the Person.

12.2.5 Food and/or beverage concessionaires shall be entitled to Nondisturbance for the remainder of the term of their respective Subleases (but in no event after the date the Term would have expired but for the reentry of Landlord).

12.2.6 Trail Blazers Inc. shall be entitled to Nondisturbance unless within one year of the Landlord Possession Date Landlord irrevocably elects to terminate the Trail Blazers Inc. Sublease. Landlord shall give Trail Blazers Inc. not less than five years' written notice of its election to terminate. If Landlord gives such notice, Trail Blazers Inc. may terminate its Sublease at any time within such five-year period, provided it gives not less than one year's prior written notice to Landlord of the date it intends to terminate. The Exclusive Site Agreement shall terminate upon termination of the Trail Blazers Inc. Sublease.

If Landlord does not elect to terminate Trail Blazers Inc.'s Sublease as provided above, Trail Blazers Inc. shall be entitled to Nondisturbance for the remainder of the term of the Trail Blazers Inc. Sublease (but in no event after the date the Term would have expired but for the reentry of Landlord).

If Trail Blazers Inc.'s Sublease was amended within one year prior to the Landlord Possession Date, Landlord may elect to accept either the terms of the Sublease prior to the amendment or the Sublease as amended. Any new sublease with Trail Blazers Inc. shall provide that Trail Blazers Inc. shall comply with the terms of the Sublease prior to amendment if Landlord elects to accept the

terms of the previous Sublease. Notwithstanding the foregoing, Trail Blazers Inc. shall pay to Landlord minimum rent equal to one hundred and ten percent (110%) of Landlord's Direct Expenses for each Trail Blazers Inc. game played in the Arena. "Direct Expenses" means all variable necessary expenses of operating the Arena for staging the event, i.e. those actual costs incurred which would not have been incurred but for the event. Any provision in the Sublease which permits Trail Blazers Inc. to share in ticket, concession or parking revenues from non-Trail Blazers Inc. events in the Arena shall terminate on the Landlord Possession Date.

12.2.7 As to each Sublessee other than those described in Sections 12.2.1 to 12.2.6, either the Landlord or Sublessee may terminate its Sublease by written notice within one year after the Landlord Possession Date. If neither terminates, such Sublessee shall be entitled to Nondisturbance for the remainder of the term of the Sublease (but in no event after the date the Term would have expired but for the reentry of Landlord). If Landlord elects to terminate the Sublease, the Sublease shall terminate one year from the date of Landlord's election. In such event, the Sublessee may terminate at any time within such one-year period.

12.2.8 Notwithstanding Sections 12.2.1 to 12.2.7, the Sublease of any Affiliate of Tenant except Trail Blazers Inc. shall terminate as of the Landlord Possession Date.

12.2.9 Notwithstanding the foregoing Sections 12.2.1 to 12.2.8, Landlord may irrevocably elect within one year after the Landlord Possession Date to permanently close the Arena, provided Landlord gives all Sublessees entitled to any Nondisturbance as

provided above three years' prior written notice of its intent to close. Any Sublessee may terminate its Sublease at any time during such three-year period. The Exclusive Site Agreement shall terminate upon termination of the Trail Blazers Inc. Sublease. As used in this Section 12.2.8, "permanently close the Arena" means to close the Arena as a Spectator Facility for not less than three consecutive years. If Landlord elects to permanently close the Arena and fails to close as provided in this Section 12.2.9, or fails to keep the Arena closed for at least three years, terminated Sublessees with Nondisturbance rights hereunder shall have a direct cause of action against the Landlord for breach of their respective Subleases, and such Lessees shall be third-party beneficiaries of this provision.

12.2.10 In the event of termination of this Lease for any reason, (except termination after damage, destruction or condemnation under Sections 7 and 9) any Sublessee entitled to limited Nondisturbance under Section 12.2 shall be entitled to continued occupancy in the Improvements ("Nondisturbance") in accordance with its Sublease, as modified in Section 12.2 as long as:

(a) The Sublease is not terminated in accordance with its terms (including termination for default upon expiration of all applicable periods to cure), and

(b) The Sublessee agrees in writing: (i) to attorn to Landlord under the applicable Sublease (including the payment of all rental and other charges without offset for prepayments previously made other than rental and other charges paid not more

than one month in advance of the due date) to the extent provided in Section 12.2, (ii) agrees not to effect the termination of the Sublease due to any termination of this Lease except as provided in Section 12.2, and (iii) to such other terms and conditions as are customarily required by mortgage lenders in similar circumstances.

12.2.11 As used in this Section 12.2, Landlord Possession Date is the date Landlord takes possession of the Premises after a default by Tenant under this Lease, whether by itself, through a receiver or otherwise.

12.2.12 Upon the request of Tenant or any Leasehold Mortgagee, Landlord shall within a reasonable time execute, acknowledge and deliver a nondisturbance agreement with a Leasehold Mortgagee and with any Sublessee entitled to limited Nondisturbance setting forth the above terms.

12.3 Covenant Against Assignments. Except as expressly provided in this Lease, Tenant shall not, without the prior written consent of Landlord, Transfer this Lease, the Leasehold Estate it creates, any of Tenant's rights or interests hereunder or any of Tenant's rights or interests in the Premises or in the Improvements, in whole or in part; nor shall Tenant's rights or interests under or in this Lease pass or be transferred or assigned by operation of law or otherwise. The assignee, purchaser or transferee of Tenant's interest in this Lease is referred to as a "Transferee." Tenant shall have no right to make any assignment of its rights under this Lease if Tenant is then in default hereunder.

12.3.1 Tenant may not assign this Lease before a Certificate of Final Completion is issued. After issuance of a

Certificate of Final Completion, OAC only may assign this Lease without Landlord's consent to any Affiliate of OAC provided OAC continues to be liable for all obligations under this Lease and provided the Exclusive Site Agreement remains in full force and effect. Otherwise, Tenant shall not Transfer this Lease except with Landlord's prior written consent.

12.3.2 Landlord's consent shall be given to a proposed Transferee that meet the criteria in Section 12.3.2(a) to (e):

(a) (i) Sufficient net worth at the time of transfer to provide for the continued use, operation and maintenance of the Arena in a first class manner, including without limitation the ability to provide or obtain financing for the acquisition of the Leasehold Estate and for any necessary capital improvements to the Arena; (ii) Any assignee of OAC who is approved by the National Basketball Association or its successor to purchase the Portland Trail Blazers basketball franchise, provided OAC continues to be liable for all obligations under this Lease upon assignment; or (iii) Any assignee with a net worth in excess of $25,000,000, adjusted in accordance with the terms of Section 18.2.

(b) (i) Sufficient experience in operating a facility similar to the Arena; or (ii) Any assignee who acquires the stock or assets of OAC provided the key management of OAC shall be employed for a period of not less than two years after the acquisition, or if key management's employment terminates before the end of the two-year period, they are replaced with qualified management, provided that if, at the time of the assignment OAC has not managed either the Arena or the Coliseum for at least five

years, OAC continues to be liable for all obligations under this Lease upon assignment until such time as OAC and the assignee cumulatively have managed the Arena or the Coliseum for at least five years.

The experience criterion in Section 12.3.2(b) may be satisfied by the proposed transferee or Leasehold Mortgagee, as the case may be, hiring to manage the Arena an entity that has managed for at least five years at least one sports facility used as the home venue for a Major League Baseball, National Football League, National Basketball Association or National Hockey League team (or similar or successor major league franchise) and who has never been terminated for default pursuant to a management agreement with a term of at least five years. If Landlord fails to approve or reject the proposed manager within 30 days after submission to Landlord of all information reasonably requested by Landlord to evaluate the proposed manager, the proposed manager shall be deemed approved by the Landlord.

If the Transferee is not a Leasehold Mortgagee or the designee of a Leasehold Mortgagee, at Landlord's option, the manager shall also manage the Coliseum if the Coliseum Agreement is still in effect.

(c) A business reputation not inconsistent with the operation of a first class public facility.

(d) The Person and its controlling owners and principal officers, if any, have never been convicted of a felony; have never lost a liquor license; have never filed for or been the subject of any form of bankruptcy action.

(e) A demonstrated record of business successes.

12.3.3 The assignee must also assume in writing the obligations of Tenant under the Development Agreement, the Coliseum Agreement and the Plaza Lease.

12.3.4 Tenant shall give Landlord written notice of a proposed assignment 30 days prior to the effective date of the assignment together with a copy of the assignment agreement executed by Tenant and the proposed assignee, and documentation reasonably sufficient to show that the assignee meets the criteria in Section 12.3.2, or is an Affiliate of OAC.

12.3.5 Without limiting the generality of the foregoing, no assignment shall be effective (a) if any Event of Default exists under this Lease or (b) unless and until the assignee assumes all the obligations of Tenant hereunder accruing on and after the effective date of the assignment.

12.3.6 Without assigning this Lease, Tenant may hire a manager to manage the Arena provided: (a) the manager satisfies the criteria specified in Section 12.3.2, (except that the manager's net worth need not be sufficient to provide leasehold financing or capital improvements) and (b) if the Coliseum Agreement is in effect and Landlord so elects, the manager must also agree to manage the Coliseum, subject to approval by Landlord.

12.4 Tenant Liability. Except as provided in Section 12.3.1 and 12.3.2, upon any assignment permitted under this Lease the assignor, with respect to the interest assigned, shall not have any liability hereunder with respect to events or conditions first arising or existing or obligations first accruing and owing after

the effective date of assignment. If OAC is required to remain liable for an assignee's obligations under this Lease pursuant to Section 12.3.1 or 12.3.2, OAC shall be released at such time as the assignee satisfies the criteria of Section 12.3.

12.5 Covenants Binding on Successors and Assigns. All of the terms, conditions and covenants of this Lease shall inure to the benefit of and be binding upon the successors and assigns of the respective parties. If there occurs any assignment permitted hereunder Tenant shall cause to be delivered to Landlord concurrently with or prior to the assignment an instrument in writing signed and duly acknowledged by the assignee or successor by which the assignee or successor agrees to perform all of the terms and provisions of this Lease applicable to Tenant.

12.6 Rights of Mortgagee. Notwithstanding the provisions of Section 12, Tenant shall have the right to grant a Leasehold Mortgage on the Premises to a Leasehold Mortgagee, as provided in Section 6 of this Lease.

12.7 Transfer. For purposes of this Lease, a "Transfer" shall include any sale, assignment, pledge, conveyance, encumbrance, subcontract, delegation, or other disposition, whether direct or indirect, voluntary or involuntary, of Tenant's interest in this Lease. A Transfer shall also include a Change of Control.

12.8 Control. For purposes of this Lease, "Control" shall mean the power, directly or indirectly, to direct or cause the direction of the management or policies of the Person in question, by virtue of ownership of voting securities or otherwise.

12.9 Change of Control. A "Change of Control" shall refer to a change in the control of OAC, which shall be deemed to have occurred if:

12.9.1 Paul G. Allen, or an Affiliate of Paul G. Allen, or a combination of Paul G. Allen and such Affiliates (the "Current Stockholder Group"), ceases to have Control of OAC;

12.9.2 The stockholder(s) of OAC approve an agreement to merge or consolidate with another Person, unless following the consummation of such transaction the Current Stockholder Group shall have Control of the surviving Person; or

12.9.3 The stockholder(s) of OAC approve an agreement (including, without limitation, a plan of liquidation) to sell or otherwise dispose of all or substantially all of the business or assets of OAC to one or more Persons other than Persons with respect to which the Current Stockholder Group has Control.

12.10 Unauthorized Transfer. If any right, title, or interest of Tenant in this Lease, or Control of OAC, is transferred in violation of the provisions of this Section 12, such Transfer shall be null and void and of no force or effect. Notwithstanding the foregoing, Landlord shall have the right to collect from any such transferee an amount equal to the amounts payable to Landlord under this Lease.

12.11 Legends. Tenant shall cause all certificates of stock in Tenant to be surrendered to Tenant and shall place on each such certificate a legend in the following form:

"THE SHARES OF STOCK REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS SET FORTH IN THAT CERTAIN

MEMORIAL COLISEUM OPERATING AGREEMENT DATED APRIL 23, 1993, AND ARENA GROUND LEASE AND ENTERTAINMENT COMPLEX LEASE BOTH DATED JUNE 23, 1993, BETWEEN THE CITY OF PORTLAND AND THE CORPORATION AND NONE OF SUCH SHARES, OR ANY INTEREST THEREIN, SHALL BE TRANSFERRED OR OTHERWISE DISPOSED OF EXCEPT AS PROVIDED IN SUCH AGREEMENT. A COPY OF THE AGREEMENT IS ON FILE AND AVAILABLE FOR INSPECTION WITHOUT CHARGE IN THE OFFICE OF THE CORPORATION."

13. DEFAULT

13.1 Event of Default. The occurrence of any of the following shall constitute an Event of Default:

13.1.1 Failure of Tenant to pay when due any payment owing to Landlord hereunder, or to pay any Imposition or any other payment when due (except as and to the extent permitted under Section 4.3 of this Lease), or the failure to maintain any of the insurance coverage required hereunder and the occurrence or failure continues for a period of 15 days after written notice is given to Tenant by Landlord;

13.1.2 Tenant being in breach of, or Tenant failing to perform, comply with, or observe any other term, covenant, warranty, condition, agreement or undertaking contained in or arising under this Lease other than those referred to above in Section 13.1.1 and Tenant fails to cure the default within 30 days after written notice thereof is given by Landlord to Tenant. However, if the default is one which can be cured, but cannot with due diligence (without regard to the availability of funds or the financial condition of Tenant) be cured within such 30-day period,

and Tenant proceeds promptly and thereafter prosecutes with due diligence the curing of the default, then the time for curing of the default shall be extended for the period of time necessary to complete the cure.

13.1.3 Tenant making an assignment for the benefit of creditors, filing a petition in bankruptcy, petitioning or applying to any tribunal for the appointment of a custodian, receiver or any trustee for it or a substantial part of its assets, or commencing any proceedings under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction, whether now or hereafter in effect; or if there shall have been filed any petition or application, or any proceeding shall have been commenced against it, in which an order for relief is entered or which remains undismissed for a period of 30 days or more; or Tenant by any act or omission indicating its consent to, approval of or acquiescence in any such petition, application or proceeding or order for relief or the appointment of a custodian, receiver or any trustee for it or any substantial part of any of its properties, or suffering any such custodianship, receivership or trusteeship to continue undischarged for a period of 30 days or more;

13.1.4 Tenant being generally unable to pay its debts as such debts become due; or

13.1.5 Tenant having concealed, removed, or permitted to be concealed or removed, any part of its property, with intent to hinder, delay or defraud its creditors or any of them, or making or suffering a transfer of any of its property which may be fraudulent

under any bankruptcy, fraudulent conveyance or similar law; or suffering or permitting, while insolvent, any creditor to obtain a lien upon any of its property through legal proceedings or distraint which is not vacated within 30 days from the date thereof.

13.1.6 Termination of the Development Agreement.

13.1.7 The giving of notice by Landlord under Section 17.5 of the Development Agreement.

13.1.8 Failure by the Guarantor, as defined in the Development Agreement, to perform as required under Section 17 of the Development Agreement.

13.1.9 A default under the Exclusive Site Agreement which constitutes a cross-default under this Lease pursuant to Section 4.3 thereof.

13.1.10 Failure to pay User Fees for the Arena as required under the Development Agreement.

13.2 Termination of Lease. In addition to all other rights and remedies available to Landlord by law or equity, Landlord may, at any time after the occurrence of any Event of Default by Tenant, and while the same remains unremedied, terminate this Lease by notice to Tenant, and Landlord may reenter upon and take possession of the Premises and the Kosei Improvements by self-help or other means.

13.2.1 Notwithstanding the provisions of Section 13.1.2, if the asserted default is subject to Dispute Resolution, and the existence of the default is being contested by the party assertedly in default, if that party is cooperating and acting in good faith

to complete the Dispute Resolution proceeding as expeditiously as possible, the time for curing the default shall commence upon the rendering of the Dispute Resolution decision, or other resolution of the dispute. However, if the matter being arbitrated is capable of performance to the extent not in dispute (e.g., the undisputed portion of monies owing), performance to the extent not in dispute shall be a condition precedent to the effectiveness of this Section.

13.3 Effect of Termination. Subject to the provisions of Section 6 (relating to the rights of Leasehold Mortgagees) and Section 12 (relating to Sublessees), upon termination of the Lease under Section 13.3, all rights and privileges of Tenant and all duties and obligations of Landlord hereunder shall terminate. Immediately upon the termination of the Lease, and without further notice to any other party, Landlord shall have the right to assert, perfect, establish and confirm all rights reverting to Landlord by reason of the termination by any means permitted by law, including the right to take possession of the Premises and the Kosei Improvements and to remove all personal property from the Premises and the Kosei Improvements and all persons occupying them except Sublessees except Affiliates of Tenant (excluding Trail Blazers Inc.) as permitted under this Lease. Landlord may in all respects take the actual, full and exclusive possession of the Premises as Landlord's original estate and the Kosei Improvements as if they were part of the Premises, thereby wholly terminating any right, title, interest or claim of or through Tenant as to the Premises, the Improvements or the Kosei Improvements or fixtures and

alterations to the Improvements, and all personal property located on the Premises and the Kosei Improvements.

13.4 Damages and Remedies.

13.4.1 For a breach during the Term, the exercise by either party of any remedy arising by virtue of an Event of Default shall not be considered exclusive, but either party may exercise any and all other rights or remedies provided by this Lease or by law or equity. Landlord or Tenant may elect to sue the other hereunder with or without terminating this Lease. The termination of the Term pursuant to this Section 13 shall not extinguish the right of either party to collect damages including without limitation direct and consequential damages arising from the breach of this Lease by the other party. Landlord's damages include without limitation lost Project Revenues (including Rent which is covered by Section 13.5.2) as defined in the Development Agreement, discounted to present value.

13.4.2 If Landlord has elected to receive Market Rent during an Extension Term, Tenant shall be liable for the continued payment of Rent accruing up to the end of the Term specified in this Lease notwithstanding the early termination of the Term due to an Event of Default and the reentry of Landlord before the normal expiration of the Term in addition to lost Project Revenues pursuant to Section 13.5.1. Tenant shall pay to Landlord all Rent and other sums which would be payable hereunder by Tenant if no such termination and reentry had occurred. Landlord may at any time after termination of this Lease, recover from Tenant the worth at that time (discounted to present value at the time of

termination) of the excess, if any, of the amount of the Rent reserved in this Lease for the balance of the Term (had such termination not occurred) over the then reasonable rental value of the Premises for the same period. The "reasonable rental value" shall be the amount of rental which Landlord can reasonably be expected to obtain as rent for the remaining balance of the Term (to its normal expiration date, excluding unexercised Extension Periods and the Completion Term), had such termination and default not occurred.

13.4.3 Landlord will credit against sums owed by Tenant the net proceeds, if any, of any reletting or operation after deducting Landlord's reasonable expenses in connection with the reletting and operation. Reasonable expenses shall include but not be limited to repossession costs, brokerage commissions, legal expenses, employee expenses, alteration costs reasonably incurred and other reletting expenses.

13.4.4 Nothing in this Section 13 shall relieve Landlord of its duty to use Reasonable Efforts to mitigate its damages as required by law.

13.5 No Waivers. No failure by any party hereto to insist upon the strict performance of any provision of this Lease or to exercise any right, power or remedy consequent to any breach thereof, and no waiver of any breach, or the acceptance of full or partial Rent during the continuance thereof, shall constitute a waiver of any such breach or of any provision. No waiver of any breach shall affect or alter this Lease, which shall continue in

full force and effect, or the rights of any party hereto with respect to any other then existing or subsequent breach.

13.6 Payment by Landlord of Tenant's Defaulted Payments. In case of failure on the part of Tenant to pay any money, or do any act to satisfy any of the obligations or covenants which it is required to pay, do, or satisfy under the provisions of this Lease, Landlord may, at its option, after 10 days' prior written notice to Tenant, pay any or all of the sums, or do any or all such acts which require the payment of money, or incur any reasonable expense to remedy the failure of Tenant to perform any one or more of the covenants herein contained. Tenant shall repay the sums advanced to Landlord on demand together with interest at the Prime Rate plus 4 percentage points from the date payment is made by Landlord. Landlord shall not be obligated to so cure any of Tenant's defaults; such right to cure shall be in addition to and not in lieu of any other right or remedy.

14. DISPUTE RESOLUTION

14.1 Applicability. When specified in this Lease, the applicable dispute (a "Dispute") shall be resolved by Dispute Resolution in accordance with this Section 14, to the extent permitted by Laws. Except to the extent expressly set forth in this Lease, the parties shall be able to resort to judicial, administrative, or other legal proceedings or other rights or remedies as allowed by this Lease, at law or in equity. In the event either party believes a Dispute exists, it shall give notice to the other specifying in reasonable detail the nature of such Dispute. The parties shall seek in good faith to negotiate a

settlement of the Dispute, including, without limitation, by agreeing to reasonable requests of the other to hold a meeting to discuss such Dispute.

14.2 Designation of Arbitrator. If within 15 days after the effective date of any notice given pursuant to Section 14.1 (a "Dispute Notice") the parties have been unable to reach a resolution of the Dispute, the parties shall jointly appoint an arbitrator with at least five years' experience in connection with the management of public facilities. If the parties shall fail to agree upon an arbitrator within 20 days after the effective date of the Dispute Notice, the parties shall each designate, by written notice to the other given not later than 25 days after the effective date of the Dispute Notice, a representative, who need not be neutral and who shall have at least five years' experience in connection with the management of public facilities. If either party fails to designate a representative within this period, the representative of the party who met the deadline shall act as arbitrator. If both parties meet the deadline, the two representatives shall, within ten days after the last of the two representatives is designated, select an arbitrator with at least five years' experience in connection with the management of public facilities. If the representatives cannot agree on an arbitrator, the Presiding Judge of the Circuit Court for Multnomah County, Oregon shall, upon application by either party, select an arbitrator having such qualification. The arbitrator chosen pursuant to this Section 14.2 shall be the sole arbitrator.

14.3 Scope of Dispute Resolution. In connection with any Dispute Resolution, each party shall submit, in writing, the specific requested action or decision it wishes to take, or make, with respect to the Dispute, and the arbitrator shall be obligated to choose one or the other of such specific requested actions or decisions, without being permitted to effectuate any compromise position.

14.4 Conduct of Dispute Resolution. Except to the extent provided in this Lease, or as the parties may otherwise agree in writing, any Dispute Resolution proceeding shall be conducted in accordance with the Commercial Arbitration Rules and the Expedited Procedures of the American Arbitration Association ("AAA") then in force. Although the Commercial Arbitration Rules of the AAA shall be used to govern the conduct of the Dispute Resolution, the arbitrator shall be chosen by the procedure described in Section 14.2 and the Dispute Resolution shall not be conducted through the AAA, unless the parties otherwise agree. For purposes of a Dispute Resolution conducted under this Section 14, whenever the AAA Commercial Arbitration Rules refer to the "tribunal administrator," such reference shall be deemed to be the arbitrator chosen under Section 14.2. The parties expressly agree that any Dispute Resolution proceeding may proceed in the absence of any party who, after due notice, fails to be present at such Dispute Resolution or to obtain an adjournment, and that, in such event, an award may be made based solely upon the evidence submitted by the party who is present. All Dispute Resolution proceedings shall be conducted in Portland, Oregon or in such other location as the

parties may agree. In making any determination, the arbitrator shall apply the pertinent provisions of this Lease without modification or qualification in any respect. The arbitrator shall furnish the parties with a written decision within 30 days after the date the arbitrator is selected.

14.5 Effect on Lease. Unless otherwise agreed in writing, during the period that any Dispute Resolution is pending under this Section 14, the parties shall continue to comply with all terms and provisions of this Lease which are not the subject of the Dispute (provided that, notwithstanding the foregoing, with respect to any non-payment defaults which are the subject of Dispute Resolution or other legal proceedings hereunder, the cure periods with respect to such defaults shall be stayed during the period of the applicable Dispute Resolution or other legal proceeding, except that there shall be no stay during legal proceedings brought to effect Landlord's remedies following Dispute Resolution in which Tenant was determined to be in default under this Lease).

14.6 Effect of Determination. The decision or award rendered by the arbitrator shall be final, nonappealable, and binding upon the parties, and judgment may be entered upon it in accordance with applicable law in a court of competent jurisdiction. If the arbitrator determines that an Event of Default has occurred, the provisions of Section 13 shall govern the damages and/or other remedies which may be ordered by the arbitrator. Neither the requirement to utilize the procedures set forth in this Section 14, nor the pendency of any Dispute Resolution proceeding, shall in any

way invalidate any notices or extend any cure periods provided for in this Lease.

14.7 Equitable Proceedings. In the event a party desires to seek interim relief, whether affirmative or prohibitive, in the form of a temporary restraining order, preliminary injunction, or other interim equitable relief with respect to a Dispute, either before or after the initiation of an Dispute Resolution proceeding, that party may initiate the proceeding necessary to obtain such relief ("Equitable Proceeding"). Nothing in this Section 14.7 shall be construed to suspend or terminate the obligation of the parties to comply with the procedures set forth in this Section 14 with respect to the Dispute that is the subject of such Equitable Proceeding during the pendency of any such Equitable Proceeding, including any appeal or review. Any interim or appellate relief granted in such Equitable Proceeding shall remain in effect until, and only until, the procedures set forth in this Section 14 result in a settlement agreement or a determination by an arbitrator with respect to the Dispute. Such settlement agreement or determination shall be the binding and final determination on the merits of the Dispute (including, without limitation, any equitable relief and monetary damages, but excluding any award of attorneys' fees or costs rendered in the Equitable Proceeding), shall supersede and nullify any decision in the Equitable Proceeding on the merits of the dispute that is the subject of such Equitable Proceeding, and shall preclude any subsequent litigation on such merits, notwithstanding any determination to the contrary in connection with any Equitable Proceeding granting or denying interim relief.

14.8 Further Disputes. The parties agree that any Disputes which arise during the Term out of a settlement agreement or arbitrator's determination shall be resolved exclusively by the procedures set forth in this Section 14.

15. NONCOMPETITION

15.1 Definitions.

15.1.1 For purposes of this Lease "Comparable Event" means sporting events, concerts and other events of a type typically conducted at facilities comparable to the Arena.

15.1.2 For purposes of this Lease, "Competing Facility" shall mean any indoor sports, entertainment, or multi-use arena or amphitheater, or other public event facility, located within the Portland Metropolitan region (i.e., CMSA Portland, comprising Multnomah, Clackamas, Washington, Clark and northern Yamhill counties), having a capacity for total attendance of 10,000 to 20,000 individuals, to which the general public is from time to time invited, with an admission charge, for Comparable Events, provided that the following shall be excluded from the definition of Competing Facility: Portland Center for the Performing Arts, Civic Auditorium, Civic Stadium, The Exposition Center, the Coliseum, (except as provided in the Coliseum Agreement) and programmable areas of the Plaza.

15.1.3 For purposes of this Lease, "Participate In" shall mean to, directly or indirectly, own, manage, operate, control, or actively participate in the ownership, management, operation or control.

15.1.4 For purposes of this Lease, "Promote" means to sponsor, conduct, underwrite, aid assist, promote or otherwise arrange for or further the performance of Comparable Events.

15.2 Covenants of Landlord. During the Term, Landlord shall not Participate In any Competing Facility or Participate In any Person that owns, manages, or operates a Competing Facility.

15.2.1 Notwithstanding the remedies of Tenant for Landlord's default under this Lease, Tenant agrees that its sole remedy in the event of a breach by Landlord of Landlord's obligations under this Section 15 shall be to obtain an injunction or decree of specific performance from any court of competent jurisdiction to restrain or compel Landlord in connection with Landlord's obligations pursuant to this Section 15.

15.3 Covenants of Tenant. During the Term, neither Tenant nor any Affiliate of Tenant shall: Participate In any Competing Facility; Participate In any Person that owns, manages, or operates any Competing Facility; or Promote at any Competing Facility, except as provided in Section 15.3.1.

15.3.1 Section 15.3 shall neither prohibit Tenant or an Affiliate of Tenant from operating any ticket agency nor prohibit Tenant or an Affiliate of Tenant from Promoting at a Competing Facility provided:

(a) Tenant shall give priority to booking events into the Arena first. If Tenant is unable, using Reasonable Efforts, to persuade the performer, producer, agent or manager to book the Arena, Tenant may book the event at a Competing Facility. However, compliance with a Reasonable Effort standard shall not be

sufficient if Tenant engages in a pattern of promoting events in Competing Facilities when the events could have been booked in the Arena.

(b) Notwithstanding Section 15.3.1(a) Tenant may Promote an event in another facility if either: (i) in the determination of the performer, producer, agent or manager the event is not suitable for the Arena despite Tenant's Reasonable Efforts to convince such Person to the contrary; or (ii) the Arena is booked for the date of the event that is being booked in a Competing Facility; or (iii) that an event requires multiple facilities, provided OAC books the event into the Arena as available.

15.3.2 Notwithstanding the remedies of Landlord for Tenant's action under this Lease, Landlord agrees that its sole remedy in the event of a breach by Tenant of Tenant's obligations under this Section 15.4 shall be to obtain an injunction or decree of specific performance from any court of competent jurisdiction to restrain or compel Tenant in connection with Tenant's obligations pursuant to this Section 15.4.2.

15.4 Judicial Interpretation. If any provision contained in this Section 15 shall be deemed to be invalid, illegal, or unenforceable by reason of its extent, duration, or geographical scope, or otherwise, then the court making such determination shall have the right to reduce such extent, duration, geographical scope, or other provisions, and in its reduced form such restriction shall then be enforceable in the manner contemplated by Section 15.2.1 or 15.3.2. If the court determines this provision to be invalid in

its entirety, then this provision shall be eliminated from this Lease.

16. OPTION TO PURCHASE KOSEI PROPERTY

16.1 Grant of Option. At the expiration or earlier termination of this Lease, Landlord shall elect to either:

(a) purchase from Tenant the Kosei Property on the terms and conditions stated herein, or

(b) demolish the Arena as provided herein.

16.2 Procedure. The fair rental value and fair market value of the Kosei Property shall be established as follows:

(a) During the last full year of the Term, Landlord and Tenant shall establish the rental value of the Kosei Property and the purchase price of the Kosei Property. If Landlord and Tenant are unable to agree within the first two months of the last full year on a rental value and a purchase price for the Kosei Property, the rental value and purchase price shall be determined upon the request of either party in accordance with Section 16.3 hereof.

(b) No later than: (i) the last day of the Term, or (ii) if this Lease is terminated by Landlord for default then no later than the date one year after such termination, or (iii) if the fair market value and the fair rental value of the Kosei Property have not been determined at least six months prior to the end of the Term, then, within six months after the determination of fair market value and fair rental value, Landlord shall deliver to Tenant written notice of Landlord's election to purchase or demolish ("Notice of Election"). If for any reason Landlord has

delivered a Notice of Election to Tenant before the fair market value or fair rental value is determined, Landlord may change its election provided Landlord does so within 30 days after the fair market value and fair rental value are determined. If Landlord does not change its election within the 30-day period, the previous election shall be binding on Landlord.

(c) Landlord shall lease the Kosei Property from Tenant commencing on the expiration or earlier termination of the Term, and continuing until either closing of the purchase of the Kosei Property or completion of demolition of the Arena. Landlord shall pay Tenant rent beginning on and, if necessary, retroactive to the first day of the term of the lease of the Kosei Property. If Landlord elects to purchase, Landlord and Tenant covenant that Closing shall occur not later than five years after the end of the Term. Landlord covenants that if Landlord elects to demolish the Arena, demolition shall be completed not later than five years after the end of the Term. Rent shall be payable monthly in advance.

16.3 Valuation. If the parties are unable to agree upon the rental value and purchase price of the Kosei Property, the parties shall select a Qualified Appraiser in the same manner set forth in Section 3.2.3. The fair market value and fair rental value of the Kosei Property shall then be determined within the same time periods and in the same manner that Market Rent is determined in Section 3.2. The Kosei Property shall be valued for its fair rental value and purchase price at its fair market value as if unencumbered, based on its highest and best use, excluding the

Kosei Improvements. Such determination shall be final and binding on the parties except that if Landlord elects to purchase the Kosei Property and closing of the purchase does not occur within two years of the date of the appraisal, a new appraisal shall be performed prior to the date of closing, and the purchase price shall be the fair market value as determined by the subsequent appraisal. The same Qualified Appraiser shall be used unless that Qualified Appraiser is not available. The subsequent appraisal shall not affect the rent payable under the Lease. Landlord may not change its election to demolish or purchase the Arena after performance of the subsequent appraisal.

16.4 Terms of Purchase. In the event that Landlord and Tenant engage in a purchase and sale of the Kosei Property pursuant to the terms of this Lease, and unless otherwise agreed, the purchase and sale shall occur in accordance with the following terms and conditions:

(a) The purchase price shall be paid in cash at closing.

(b) Closing shall occur within 90 days after the later of the exercise of the Option or the determination for the purchase price, but in no event earlier than the day after the expiration of the Term.

(c) Closing shall occur at the offices of a title insurance company doing business in Multnomah County, Oregon selected by Landlord.

(d) Tenant shall provide Landlord with an owner's standard coverage policy of title insurance, at Tenant's expense.

(e) Closing costs shall be paid by Landlord and Tenant in accordance with the then prevailing practices associated with sale of commercial property in Portland, Oregon.

(f) Real property taxes, utilities, rents, and other such costs and payments shall be prorated between Landlord and Tenant as of the date of closing, except that all assessments for local improvement districts, or related to development of the Kosei Property shall be paid by Tenant at closing.

(g) The parties shall share any transfer taxes equally.

(h) Except as provided in the Development Agreement as to Environmental matters, Tenant shall make no warranties or representations whatsoever as to the condition of the Kosei Property or any improvements thereon, other than the warranties of title described in Section 16.4(i) below. Landlord shall purchase the Kosei Property in its then-existing "AS IS" condition.

(i) The Kosei Property shall be conveyed by statutory warranty deed. Encumbrances on the Kosei Land (other than encumbrances existing of record as of the date of this Lease which do not secure an obligation to pay money shown in Exhibit 16.4(i) entitled "Kosei Encumbrances") shall be removed by Tenant, except Landlord shall be responsible for removing any encumbrances that Landlord has placed or caused to be placed upon the property unless in Landlord's regulatory capacity; provided that Landlord may, in its sole discretion, elect to purchase the property subject to one or more of the encumbrances affecting the property, subject to approval by the holders thereof. If Landlord

so elects, the purchase price shall be adjusted as necessary to account for Landlord's assumption of encumbrances that Tenant is unable to or does not remove.

16.5 Demolition. If Landlord elects to demolish the Arena Landlord shall at Landlord's sole cost return the Kosei Property to Tenant free of all improvements and debris, and compacted with engineer fill and levelled to grade. Landlord shall return the Property to a similar condition.

16.6 Notice of Closing Or Completion of Demolition. Landlord shall give Tenant notice of the date of closing of the Kosei Property purchase or the date of anticipated completion of demolition as soon as reasonably practicable, but no less than one year before the applicable date. Notwithstanding the above, if closing of the Kosei Property purchase or demolition will occur in the first year of the Kosei lease term, Landlord may so notify OAC on the commencement date of the Kosei lease term.

17. SIGN PADS; PLAZA

The two Sign Pads described in Exhibit 1.1(d) are located on the site of the Public Parking Garages on the property adjacent to the Public Parking Garages. The Sign Pads are part of the Premises. The Kosei Sign Pad described in Exhibit 1.1(b) is located on the Kosei Property. The Sign Pads and the Kosei Sign Pad are together referred to as the "Three Sign Pads." It is the intent that Tenant shall construct a media pylon on each of the Three Sign Pads. Promptly after each media pylon is constructed, the legal description of the respective Sign Pad for such pylon shall be modified so that the description includes: (a) only that

area of land to which the support or the foundation of the pylon is attached "as built" and (b) the air rights for all media elements mounted on the pylon. If Tenant modifies or replaces the media elements (which modifications shall be subject to any applicable Laws), the air rights description shall be further modified as necessary to accommodate the new media elements. Each such revised legal description shall be initialled by the parties and attached to this Lease as revised Exhibits 1.1(b) and 1.1(d), as applicable. Tenant's right to occupy and control the Plaza is covered by the Plaza Lease; however, Tenant's exclusive advertising and vending rights on the Plaza and payment for such rights are covered in Sections 10.5, 17.1 and 17.2.

17.1 Exclusive Display and Vending Rights. During the Term, subject to the limitations in Section 10.5 and Section 17, Tenant shall have the exclusive right to (i) place Displays, including without limitation Advertising and Signage on the Plaza and the Sign Pads and (ii) engage in vending activities on the Plaza. Tenant shall have the right to authorize other Persons to engage in such vending activities provided such Persons comply with this Lease, including without limitation, the written policies described in Section 17.1.4 as amended and provided Landlord receives Plaza Rent arising from such activities.

17.1.1 Except as otherwise required by laws, and except as expressly permitted in Section 10.5 as to marquee signs, Tenant shall not allow advertising of alcoholic beverages or tobacco products on the Three Sign Pads or the Plaza.

17.1.2 Tenant will consult with Landlord on placement and design of Displays and will seriously consider Landlord's suggestions. If Landlord objects to Tenant's advertising, Landlord shall have the right to raise its objections in applicable regulatory proceedings.

17.1.3 Tenant shall give Landlord written notice of its intent to place Displays on the Plaza at least 20 business days prior to submission of an application for approval of such Displays to the appropriate government agency. Tenant will consult with Landlord on such Displays and Tenant shall seriously consider Landlord's suggestions.

17.1.4 Tenant shall promulgate a reasonable plan and shall deliver a copy of such plan to Landlord on or before October 31, 1993 setting forth reasonable policies and standards regarding Displays and vending on the Plaza. Tenant will consult with Landlord concerning the policies and standards and amendments thereto, and will seriously consider Landlord's suggestions. Tenant will comply with and enforce Sublessees' compliance with such policies and standards. Use of the Plaza shall not restrict the free flow of pedestrian traffic (and vehicular traffic where appropriate) on the Plaza. All Displays, vending facilities and methods of vending shall be reasonable in number and location. The character and quality of the Displays and vending shall be complementary to the Improvements, the Kosei Improvements and the Plaza Improvements and consistent with the character and quality of the Project. Tenant shall submit a copy of the plan to Landlord and shall consult with Landlord prior to implementing the plan.

Tenant shall submit a copy of any amended plan to Landlord and shall consult with Landlord prior to implementing any amended plan. Tenant shall not commence vending or place any displays on the Plaza until Tenant promulgates such plan, delivers a copy of the plan to Landlord and consults with Landlord.

17.2 Termination of Plaza Lease.

17.2.1 If the Plaza Lease terminates during the Term of this Lease Tenant's exclusive advertising rights shall continue subject to Section 17.1 and the following:

(a) Any fixed Displays Tenant erected on the Plaza during the term of the Plaza Lease and in compliance with the Plaza Lease and this Lease shall remain on the Plaza at Tenant's option.

(b) No Displays erected by Tenant after termination of the Plaza Lease shall interfere with Landlord's intended use of the Plaza for public gatherings, programs or other events.

(c) Tenant's Displays will be designed and placed so that they will not interfere with events on the Plaza. Landlord shall not cover or otherwise obscure Tenant's fixed advertising which is in compliance with this Lease during events on the Plaza.

(d) Landlord (or, if permitted by Landlord, the promoter of an event on the Plaza) may erect temporary Signage or Advertising on the Plaza in connection with an event. If the event has a commercial Sponsor, display of Signage or Advertising containing the name, logo or trademark of the Sponsor shall be limited to the period from setup to teardown of the event. Signage or Advertising for non-sponsored events may be displayed for up to a week before the event. Tenant shall display the name of the

event on Tenant's Signage including reader board marquees at no cost to Landlord. The reader board displays shall occur at regular reasonable intervals comparable to and consistent with the frequency of announcements of other similar events on the Project.

17.2.2 If the Plaza Lease terminates, Tenant's exclusive vending rights shall continue subject to the following:

(a) If the promoter of an event on the Plaza does not desire to have any vending of food, beverages, souvenirs or similar items, Tenant shall not have the right to conduct vending activities in connection with the event.

(b) If the promoter of an event desires to have vending of food, beverages or souvenirs or similar items in connection with the event, Tenant shall have the exclusive right to provide vending for the event.

(c) Notwithstanding 17.2.2(a), Tenant may conduct vending activities on the Plaza areas adjacent to the Arena shown in Exhibit 17.2.2(c) if events are scheduled at the Arena or the Coliseum at the same time or at times overlapping with an event on the Plaza. Notwithstanding Section 17.2.2(a), Tenant may conduct vending activities on the Plaza areas adjacent to the Coliseum shown in Exhibit 17.2.2(c) if events are scheduled at the Arena or the Coliseum at the same time or at times overlapping with an event on the Plaza; provided, however, if the area near the Coliseum, as shown on the attached Exhibit 17.2.2(c), is redeveloped or for some other reason ceases to be a public plaza, Tenant's right to conduct vending activities on such area pursuant to this Lease shall terminate and shall be of no further force or effect.

(d) Notwithstanding 17.2.2(b), if the promoter of an event on the Plaza desires to sell merchandise exclusively associated with the event or performer (such as T-shirts, tapes and posters of a rock group that is performing on the Plaza) Tenant shall not have the right to sell such merchandise.

(e) If the principal focus of an event on the Plaza is food or beverages (such as the Bite™ of Portland) Tenant shall not have exclusive vending rights. However, Tenant shall be entitled to operate at least one food booth at the event at the same charge as other booths.

(f) If food or beverages are an integral part, but not the principal focus of a for-profit event (such as Saturday Market) Tenant shall have the option to arrange for, sell space for or operate booths for vending of food and beverages for the event. If Tenant elects not to arrange for the food and beverages, the promoter may do so. In that case Tenant shall be entitled to operate at least one food booth at the same charge as other booths. If Tenant elects to arrange and sell space for or operate booths for the sale of food and beverages, Tenant shall price services, sales space and food and beverage prices at commercially reasonable rates.

(g) If food or beverages are an integral part, but not the principal focus of a not for-profit event (such as Artquake) Tenant shall have the option to arrange for, sell space for or operate booths for vending of food and beverages for the event. If Tenant elects not to arrange for the food and beverages, the promoter may do so. In that case Tenant shall be entitled to

at least one food booth at the same charge as other booths. If Tenant elects to arrange and sell space for or operate booths for the sale of food and beverages. Tenant shall charge only the amount necessary to recover its direct costs in connection with coordinating food and beverages at the event.

(h) No vending activities by Tenant after termination of the Plaza Lease shall interfere with Landlord's intended use of the Plaza for public gatherings, programs or other events.

(i) If a Promoter would not book the Plaza without having vending rights, Tenant shall not have vending rights in connection with such events. However, if the promoter arranges for food booths in connection with the event, Tenant shall be entitled to at least one food booth at the same charge as other booths.

17.2.3 Landlord shall deliver copies of all contracts for use of the Plaza to Tenant within 10 business days after execution.

17.2.4 Tenant's Displays are neither endorsed nor prohibited, and shall comply with all laws. If Landlord objects to Tenant's proposed Displays under this Section, Landlord shall have the right to raise its objections in applicable regulatory proceedings.

17.2.5 Tenant shall give Landlord written notice of its intent to place Displays on the Premises at least 20 business days prior to filing an application for approval of such Displays with any applicable government agency. Prior to giving Landlord such notice, Tenant shall deliver to Landlord the plan described in

Section 17.1.4 and consult with Landlord. The notice shall include plans and specifications depicting the proposed Displays.

17.3 Plaza Rent. As additional Rent ("Plaza Rent") and in consideration of the exclusive advertising and vending rights granted in Section 17.1, Tenant shall pay:

(a) Ten percent (10%) of Defined Revenue;

(b) The Interest Spread, until the Plaza Bonds have been paid in full;

(c) All Impositions relating to the Plaza and the Sign Pads.

17.3.1 "Defined Revenue" shall mean the sum of the following items and all interest earned thereon, less any Impositions relating to the Plaza and the Sign Pads, accrued and paid by Tenant over the applicable period:

(a) Gross Revenues received from all commercial Signage, Advertising or commercial Displays on the Plaza, the Kosei Plaza and the Three Sign Pads, less the amounts paid to third parties by Tenant amortized (using a straight-line method) over 10 years of acquiring, assembling and installing any video enhancements related to such displays, such as video screens, or other state-of-the-art technology. Tenant or its Affiliates may receive revenues from the sale of a package covering advertising in and on various improvements on the Project Site, including the Plaza, the Kosei Plaza and the Three Sign Pads. In that event, Tenant shall reasonably and fairly allocate a portion of the revenues to the Plaza, the Kosei Plaza and the Three Sign Pads (but not necessarily for the purchaser of the advertising package) and

shall submit the allocation to Landlord for review. If Landlord objects to the amount of revenue allocated in the aggregate to the Plaza, the Kosei Plaza and the Sign Pads, Landlord and Tenant shall attempt to agree to an allocation. If they fail to agree within 30 days, the dispute shall be submitted to Dispute Resolution pursuant to Section 14, except that the arbitrator shall be the senior officer or partner in the Portland office of an advertising agency; and

(b) Net Revenues from all vending activities on the Plaza and the Kosei Plaza whether paid for on the Plaza, on another location or in connection with another location. In the case of vending activities undertaken by Tenant or an Affiliate of Tenant, "Net Revenues" means gross revenue to Tenant and Affiliates of Tenant from the sale of food and other merchandise less all reasonable costs incurred by Tenant or an Affiliate of Tenant in connection with such vending activity, including without limitation the costs of labor, inventory, equipment, insurance, taxes, maintenance and capital improvements. In the case of vending activities undertaken by a Sublessee or any other Person, "Net Revenues" means the net fees Tenant or Affiliates of Tenant receives from the Sublessee on account of the vending activity. If the Sublessee is an Affiliate of Tenant the fees paid by the Sublessee to Tenant by the Sublessee vendor for the right to conduct the vending activity shall be at fair market rates. Net Revenues from vending also expressly do not include any revenues from sales on any portion of the Plaza located within 10 feet of any exterior entrance to separately demised retail areas in the

Arena, provided use of that portion of the Plaza is limited to the same use as the retail space in the Arena. However, all other vending activities on the areas of the Plaza near the Arena for which Tenant or Affiliates of Tenant receive revenues are included in Net Revenues.

17.3.2 "Interest Spread" shall mean one half of the difference between (a) the interest cost that would have accrued on the Plaza Bonds over the calendar month in question if construction of the Improvements to the Plaza had been financed with Plaza Bonds which are exempt from federal income taxation, and (b) the actual interest cost accrued on such Plaza Bonds over the calendar month in question. As used in this Section, "Plaza Bonds" shall mean the initial Project Bonds issued by Landlord solely or allocated to finance construction of the Plaza and the Plaza Improvements.

17.3.3 If an Affiliate of Tenant is a Sublessee or provides goods or services in connection with the production of Defined Revenues such Subleases and the terms on which goods and services are provided shall be at market rates.

17.4 Payment of Rent. On or before the tenth day after the end of each calendar month after the Arena Completion Date, Tenant shall pay Plaza Rent for the preceding calendar month. Tenant shall establish a separate bank account designated as the "Plaza Account." All Gross Revenues and Net Revenues shall be paid into the Plaza Account promptly after receipt. The Plaza Account shall be an interest bearing account to the extent interest bearing demand accounts are commercially available.

17.5 Interest on Late Payments. On demand, Tenant shall pay Landlord interest on late Plaza Rent payments accruing from the date due until paid at the Prime Rate plus four percentage points. Payment of interest shall be in addition to (and not in lieu of) any other rights and remedies Landlord may have arising from the late payments.

17.6 Annual Statement. Tenant shall furnish to Landlord not later than 60 days after the end of each Lease Year an annual unaudited statement ("Annual Statement") prepared by Tenant and certified by Tenant as accurate, showing the Defined Revenue for the preceding Lease Year, in such detail as reasonably necessary to establish the calculation of Plaza Rent and the basis for the calculation of Plaza Rent. In the event Tenant has paid more than the Plaza Rent due for the preceding Lease Year, the amount of the overpayment shall be credited against future Plaza Rent owed by Tenant, except that Landlord shall promptly refund any overpayment to Tenant at the end of the Term. In the event Tenant has paid less than the Plaza Rent due for the preceding year, Tenant shall pay Landlord within 30 days after delivering the Annual Statement to Landlord the amount of Plaza Rent due for the preceding year plus interest on the late payment pursuant to Section 17.5.

17.7 Audit by Landlord. Tenant shall, upon reasonable notice from Landlord, allow Landlord or Landlord's employees, agents or accountants to examine the books and records and review systems and procedures of Tenant for the purpose of verifying statements furnished or to be furnished pursuant to Section 17.6. The examination shall be conducted during regular business hours and in

a manner that will not unreasonably interfere with the carrying on of the business of Tenant. If Tenant disputes the audit result, Tenant may submit the dispute to Dispute Resolution in accordance with Section 14. In the event Landlord's audit (verified by an arbitrator if Tenant has requested Dispute Resolution) shows that Tenant has underpaid the annual Plaza Rent by an amount equal to the greater of $10,000 or three percent of the total Plaza Rent payable during the Lease Year, Tenant shall promptly pay to Landlord the reasonable expenses incurred by Landlord in making the examination.

17.8 Adjustment of Payments. If Landlord's audit shows that the Plaza Rent paid to Landlord was less than the amount due, then Tenant shall pay the deficiency to Landlord within 30 days after Landlord delivers an audit report to Tenant together with interest on the late payments pursuant to Section 17.5. If the payment of Plaza Rent was greater than the amount due, Landlord shall credit the excess against future Plaza Rent owed by Tenant, except that Landlord shall refund any overpayment to Tenant at the end of the Term.

17.9 Maintenance of Books and Records. Tenant shall keep complete books of account and records of all operations in and with respect to the Plaza, the Kosei Plaza and the Three Sign Pads, including specifically the detailed records necessary to establish Defined Revenue and other facts necessary to establish the amount of Plaza Rent owing hereunder, in accordance with GAAP. All of the books and records (which may be kept electronically) shall be physically located in or available at Tenant's principal place of

business in Multnomah County, Oregon, and shall be retained for six years after the Lease Year for which they are applicable.

17.10 Rent Payments. All payments of Rent and any other amounts to be paid by Tenant to Landlord under this Section 17 shall be made by Tenant to Landlord without notice or demand, deduction or offset at City of Portland Office of Finance and Administration, 1120 S.W. Fifth Avenue, Suite 1250, Portland, Oregon 97204, or at such other place as Landlord may designate by written notice to Tenant. However, nothing in this Section 17.10 shall alter Tenant's offset rights in Section 27.2.6 of the Development Agreement).

17.11 Net Rent. Rent and other sums to be paid by Tenant shall be payable in lawful money of the United States of America. Rent and all other sums payable by Tenant shall be absolutely net to Landlord, free from all costs, expenses, charges and deductions to Landlord, except as expressly provided in Section 27.2.6 of the Development Agreement.

17.12 Pro Rata Portions of a Month or Year. If the Term commences or ends, or there is to be a partial abatement of Rent, or an end to such abatement effective on a date other than at the end or start of a month or a Lease Year, the Rent for the calendar month or Lease Year shall be prorated on the basis of the actual days in the calendar month or Lease Year.

17.13 Maintenance. Throughout the Term all Plaza Improvements including without limitation landscaping shall be at all times maintained by Tenant at Tenant's sole cost and expense in first class operating condition and in a clean and attractive

condition. Maintenance shall include Minor Repairs. "Minor Repairs" means routine, normal, day to day and other periodic upkeep necessitated by ordinary wear and tear on the Plaza, and the Sign Pads (such as paint touch up, light bulb replacement, adjustment of sprinkler heads, and removal of graffiti). Maintenance shall include daily janitorial type maintenance of the Plaza Improvements and the Sign Pads, general landscaping maintenance and normal periodic maintenance (both preventative and general), i.e., filling a crack in the concrete to slow the rate of deterioration.

17.14 Capital Repair and Replacement. During the first 10 years following the Arena Completion Date, Tenant shall be responsible for the cost and performance of Capital Repair and Replacement of the Plaza Improvements. Thereafter, Landlord shall be responsible for the cost and performance of Capital Repair and Replacement of the Plaza Improvements, except that if Tenant or a Tenant-Related Person caused the damage that requires Capital Repair and Replacement, Tenant shall pay the cost thereof. "Capital Repair and Replacement" means the rebuilding, reconstruction or replacement of any destroyed, dysfunctional or obsolete Improvement or part of the Improvement so as to restore the Improvement or part to not less than its functional level prior to the need for such rebuilding, reconstruction or replacement. "Capital Repair and Replacement" covers items that are treated as capital costs and not as expenses under GAAP.

17.15 Major Repairs. Repairs not expressly covered by Section 17.13 or 17.14 shall be the responsibility of Tenant during

the term of the Plaza Lease and shall be the responsibility of Landlord between the end of the Plaza Lease term and the end of the Term of this Lease, unless the need for repair was created by a Tenant or Tenant-Related Person in which case the cost of the Major Repair shall be paid by Tenant.

17.16 Capital Improvements; Alterations. Landlord shall be responsible for the cost and performance of Capital Improvements on the Plaza. Neither Landlord nor Tenant shall make any improvements or alterations to the Plaza or the Sign Pads without the prior written consent of the other.

17.17 End of Term. At the end of the Term, the signs on the Three Sign Pads shall be treated as if they were Operating Trade Fixtures of Tenant under this Lease.

18. MISCELLANEOUS

18.1 Estoppel Certificates. Each of the parties agrees that it will, at any reasonable time and from time to time, within 10 business days following written notice by the other party or any Leasehold Mortgagee specifying that it is given pursuant to this Section, execute, acknowledge and deliver to the party or the Leasehold Mortgagee, as the case may be, who gave such notice a statement in writing certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications), and the dates to which the Rent and any other payments due hereunder from Tenant have been paid in advance, if any, and stating whether or not to the best of knowledge of the signer of such certificate the other party to this Lease is in

default in performance of any covenant, agreement or condition contained in this Lease, and, if so, specifying each such default of which the signer may have knowledge. Any certificate required to be made by the City pursuant to this Section may be made on its behalf by the City's Office of Finance and Administration. Landlord shall not be required to make an estoppel certificate more often than once a year to any one Leasehold Mortgagee except in connection with any transfer of such Leasehold Mortgagee's interests or a foreclosure.

18.2 Standard of Measurement. If a dollar amount is to be adjusted with the passage of time under this Lease, the adjustment shall take place every fifth Anniversary Date unless another adjustment period is specified. The new amount shall be the dollar amount that bears the same ratio to the original dollar amount as the Index as defined in Section 1.1 published immediately before the date the adjustment is made bears to the Index published immediately before the date of this Lease.

18.3 No Partnership. Nothing contained herein or in any instrument relating hereto shall be construed as creating a partnership or joint venture between Landlord and Tenant, or cause Landlord to be responsible in any way for debts or obligations of Tenant or any other party.

18.4 City Regulatory and Police Powers. The parties recognize that the City must retain its regulatory and police powers and that the City's regulatory bodies, in carrying out their responsibilities, should do so independently without undue influence by other city officials and employees. The City agrees

that such other City officials and employees, during the term of this Lease, shall not seek to influence the City's regulatory bodies in a manner that would otherwise deny to Tenant the benefits of the City's covenants and obligations under this Lease or would otherwise allow the City to accomplish a result that would not be permitted under the term and conditions of this Lease. This Section 18.4 shall not restrict the City's staff from performing its usual regulatory review, comment and advisory functions or its police powers.

18.5 Time of the Essence. Time is hereby expressly declared to be of the essence of this Lease and of each and every term, covenant, agreement, condition and provision hereof.

18.6 Captions. The captions of this Lease and the table of contents preceding this Lease are for convenience and reference only, and are not a part of this Lease, and in no way amplify, define, limit or describe the scope or intent of this Lease, nor in any way affect this Lease.

18.7 Meaning of Terms. Words of any gender in this Lease shall be held to include any other gender and words in the singular number shall be held to include the plural when the sense requires.

18.8 Lease Construed as a Whole. The language in all parts of this Lease shall in all cases be construed as a whole according to its fair meaning and neither strictly for nor against Landlord or Tenant.

18.9 Severability. If any provision of this Lease or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Lease, or

the application of that provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

18.10 Survival. Each provision of this Lease, the full performance of which is not required prior to the expiration of the Term hereof or its earlier termination shall survive expiration or earlier termination, and be fully enforceable thereafter.

18.11 Memorandum of Lease. The parties shall execute and acknowledge a Memorandum of this Lease including a Memorandum of the Landlord's obligation to lease and Landlord's option to purchase the Kosei Property in the form attached as Exhibit 18.11 for public recordation purposes, so that public notice of the Term of the Lease be given. However, this Lease shall not be recorded.

18.12 Amendment. This Lease may be amended only in writing, signed by both Landlord and Tenant.

18.13 Commissions. Landlord and Tenant shall save and hold the other harmless from any and all claims or demands, requests by real estate brokers, agents or finders with whom such indemnifying party may have dealt in connection with this Lease.

18.14 Notices. A notice or communication under this Agreement by a party to another party or parties shall be sufficiently given or delivered upon personal delivery or upon sending of a confirmed facsimile copy (either by automatic electronic confirmation or by declaration of the sender) directed to the Fax Number of the party or parties set forth below, or if dispatched by registered or certified mail, postage prepaid, return receipt requested or by a

delivery service or "overnight delivery" service that provides a written confirmation of delivery, and addressed to the party or parties as follows:

If to the City:

City of Portland Auditor
1220 S.W. Fifth Avenue, 1st Floor
Portland, Oregon 97205
Attn: City Auditor
Fax No.: 503-823-4571
Confirmation No.: 503-823-4078

with a copy to:

Office of the City Attorney
City of Portland, Oregon
1220 S.W. Fifth Avenue, 2nd Floor
Portland, Oregon 97204
Attn: City Attorney
Fax No.: 503-823-3089
Confirmation No.: 503-248-4047

Office of Finance and Administration
City of Portland, Oregon
1120 S.W. Fifth Avenue, 12th Floor
Portland, Oregon 97204
Attn: Director
Fax No.: 503-823-5384
Confirmation No.: 503-823-5288

Portland Development Commission
1120 S.W. Fifth Avenue
Portland, Oregon 97204
Attn: General Counsel
Fax No.: 503-823-3368
Confirmation No.: 503-823-3200

If to OAC:

700 N.E. Multnomah Street, Suite 600
Portland, Oregon 97232
Attn: Marshall Glickman, Senior Vice President
Fax No.: 503-232-5144
Confirmation No.: 503-731-5273

with a copy to:

Trail Blazers Inc.
700 N.E. Multnomah Street, Suite 600
Portland, Oregon 97232
Attn: Michael V. Fennell,
Vice President and General Counsel
Fax No.: 503-234-4347
Confirmation No.: 503-234-9291

Foster Pepper & Shefelman
101 S.W. Main Street, 15th Floor
Portland, Oregon 97204
Attn: Bonnie P. Serkin
Fax No.: 503-221-1510
Confirmation No.: 503-221-0607

Foster Pepper & Shefelman
1111 Third Avenue, Suite 3400
Seattle, Washington 98101
Attn: Allen D. Israel
Fax No.: 206-447-9700
Confirmation No.: 206-447-4400

Each party may by notice to all other parties, specify a different address or Fax or Confirmation number for subsequent notice purposes. Notice shall be deemed effective on the date of actual receipt or three days after the date of mailing, whichever is earlier.

18.15 Consents and Approvals. Whenever a party's consent or approval (or reasonable consent or approval) is required, or whenever a party has the right to approve or give its consent, such approval or consent shall neither be unreasonably withheld nor unreasonably delayed unless a different standard is expressed or, with respect to delay, a specific time period is expressly provided in the same provision or Section which gives rise to the right or requirement of a Party to approve or consent.

18.16 Attorneys' Fees. In the event a suit, action, Dispute Resolution, or other proceeding of any nature whatsoever, including

without limitation any proceeding under the U.S. Bankruptcy Code, is instituted, or the services of an attorney are retained, to interpret or enforce any provision of this Lease or with respect to any dispute relating to this Lease, the prevailing or non-defaulting party shall be entitled to recover from the losing or defaulting party its attorneys', paralegals', accountants', and other experts' fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith. In the event of suit, action, Dispute Resolution, or other proceeding, the amount thereof shall be determined by the judge or arbitrator, shall include fees and expenses incurred on any appeal or review, and shall be in addition to all other amounts provided by law.

18.17 Interest. Except as otherwise specifically provided herein, any amounts due by one party to the other pursuant to the terms of this Lease, including amounts to be reimbursed, shall bear interest from the due date or the date the right to reimbursement accrues at the Prime Rate plus four percentage points, provided, however, that such rate shall not exceed, in any event, the highest rate of interest which may be charged under applicable law without the creation of liability for penalties or rights of offset or creation of defenses. For purposes of interest calculations, the due date of an amount or the date the right to reimbursement accrues shall be deemed the date that it originally was owing but may have been disputed, as distinguished from the date of final settlement or the making of a judicial or Dispute Resolution award.

18.18 Effect of Failure to Consent. If Tenant requests Landlord's consent or approval pursuant to any provision of this Lease and Landlord fails or refuses to give such consent, Tenant shall not be entitled to any damages as a result of such failure or refusal, whether or not unreasonable, it being intended that Tenant's sole remedy shall be an action for specific performance or injunction, and that such remedy shall be available only in those cases in which Landlord has in fact acted unreasonably and has expressly agreed in writing not unreasonably to withhold its consent or in those cases in which Landlord may not unreasonably withhold its consent as a matter of law.

18.19 City Acting in Proprietary Capacity. All representations, warranties, and covenants of Landlord shall not limit, restrict, or otherwise affect any ordinance, consent, decree, or other action of Landlord, issued, promulgated, granted, or taken in Landlord's governmental, legislative, judicial, or administrative capacity. All representations, warranties, and covenants of Landlord contained in this Lease are made in Landlord's capacity as owner of the Property only.

18.20 Conflict of Interest. No member, official, or employee of Landlord shall have any personal interest, direct or indirect, in this Lease, nor shall any such member, official, or employee participate in any decision relating to this Lease which affects his/her personal interest or the interest of any Person in which he/she is, directly or indirectly, interested. No member, official, or employee of Landlord shall be personally liable to Tenant or any successor in interest to Tenant in the event of any

default or breach by Landlord or for any amount which may become due to Tenant or such successor with respect to any obligations under the terms of this Lease.

18.21 Governing Law. This Lease shall be construed according to and governed by the laws of the State of Oregon.

18.22 Reference Date of Lease. For reference purposes, the date of this Lease shall be the date on the first page, irrespective of the date Landlord or Tenant actually executes this Lease.

18.23 Binding Effect. All of the covenants, agreements, terms and conditions contained in this Lease shall inure to and be binding upon Landlord and Tenant and their respective heirs, executors, administrators, successors and assigns.

18.24 Entire Agreement. This Lease contains the final and complete expression of the parties relating in any manner to the leasing, use and occupancy of the Premises and other matters set forth in this Lease. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or added to except in writing signed by Landlord and Tenant.

LANDLORD:

CITY OF PORTLAND, a municipal corporation of the State of Oregon

By: Vera Katz
Its: Mayor

By: Barbara Clark
City of Portland Auditor

TENANT:

OREGON ARENA CORPORATION, an Oregon corporation

By: _____

Its: President

APPROVED AS TO FORM:

_____

City Attorney

City of Portland