

**Memorandum of Understanding  
Between  
Pierce County  
and  
Chambers Bay Development**

Pierce County is a political subdivision of the State of Washington, having offices at 9112 Lakewood Drive SW, Lakewood Washington 98499 – 3998 (“Pierce County”), and Chambers Bay Development, LLC is a Washington limited liability company, having its offices at P.O. Box 280, Puyallup, WA 98371 (“Developer”). Pierce County and Developer are referred to collectively as the “Parties” and individually as a “Party”.

**Purposes.** This Memorandum Of Understanding (“MOU”) contains the Parties’ agreement regarding the sharing of certain information and completion of certain tasks related to the potential development and construction of a resort hotel, golf course support facilities, clubhouse, event space, and restaurant and other facilities on a portion of the real property owned by Pierce County and known as Chambers Creek Regional Park (the “Project”).

A main purpose of this MOU is to facilitate the Parties’ efforts to formulate one or more definitive, enforceable agreements necessary to complete the Project including, but not limited to, a ground lease and development agreement, which will be finalized in a fully executed Ground Lease Agreement (the “GLA”) as soon as feasibly possible. The Parties will each use commercially reasonable efforts to finalize the GLA by July 15, 2017. In the event that a GLA is not entered into, neither Party shall (i) have any obligation to continue to pursue negotiations; (ii) have any liability for the cessation of efforts to pursue such negotiations except as specifically called out in the MOU; nor (iii) make any claim against the other Party based on breach of contract (other than breach of the binding provisions expressly provided for below under the heading “Partially Non-Binding”), reliance, part performance, promissory estoppel, breach of good faith and fair dealing, breach of fiduciary duty or any similar causes of action resulting from the Parties’ discussions.

The Parties agree that the attached Term Sheet (Exhibit A) contains the conceptual framework for drafting a proposed GLA, but only a subsequent formal GLA approved by the Pierce County Council, if duly executed by both Parties, will bind the Parties on any matter described therein.

**Access.** Developer, its agents, and employees shall have the right to enter upon the portion of Chambers Creek Regional Park shown on Exhibit B (the “Property”), for the purpose of performing inspections and tests on the Property (the “Inspections”) at Developer’s sole risk, cost and expense, provided Developer shall not do any invasive testing, sampling or drilling on the Property without first obtaining Pierce County’s prior written consent. Developer agrees at all times during the entries onto the Property that either Developer or Developer’s contractors will carry comprehensive general liability insurance on an occurrence basis (including contractual liability, contractor’s protective liability, personal injury and property damage coverage) in a

combined single limit of at least \$1,000,000, employer's liability in the amount of \$500,000 (each accident) and the statutory limit with respect to workers compensation and provide Pierce County with evidence of such insurance coverage prior to any entry onto the Property and naming Pierce County as an additional insured under such policy.

Developer shall not unreasonably or materially interfere with the rights of park users, clubhouse patrons or guests playing golf. At Pierce County's request, Developer shall provide the County with copies of all reports prepared by or for Developer by third parties, at no cost or expense to Pierce County. Developer shall defend and indemnify Pierce County and its tenants harmless from and against any and all losses, costs, damages, claims, or liabilities, including but not limited to, mechanic's and materialmen's liens and Pierce County's attorneys' fees, arising out of or in connection with the Developers Inspections or the Developer's entry on the Property as allowed herein, which indemnity shall survive termination or expiration of this MOU (the "Access Indemnity").

**Condition of Property.** Pierce County is the current owner of the Property. As such, Pierce County is, and remains, responsible for any environmental conditions, concealed or unforeseen physical conditions (excluding soil types encountered and their suitability for the type of construction proposed by the Developer), burial or other archaeological findings, or other similar matters, existing or encountered at the Property. If such conditions are encountered, Pierce County shall be responsible, at its sole expense, for taking whatever actions are required to address, remediate, cure or clean up such conditions. Pierce County shall defend, indemnify and hold harmless the Developer from any claims or causes of action asserted against Developer, or damages suffered by Developer (including legal fees), arising out of such pre-existing conditions. At its sole discretion, Pierce County reserves the right to terminate the Project should the financial costs to remediate any unforeseen site condition make the Project infeasible. If the Project is terminated, any reimbursement of Developer costs or damages shall be limited to actual development costs incurred to the date of termination exclusive of Developers costs incurred prior to execution of the GLA.

Pierce County shall furnish all tests, inspections and reports which it possesses that bear on the physical condition of the Property or that relate to the development contemplated herein.

**Information and Tasks.** The Parties agree to share the following information and complete the following tasks:

Information and tasks required from Developer:

1. Deliver for Pierce County's review and approval, an updated proposed Project description and preliminary conceptual site plan for the Project, including the location and amount of square footage devoted to various major functions such as resort hotel and villas (including the number of rooms), restaurants, spa, clubhouse, event space, parking, golf support facilities, administration and any other significant operations within 120 days of executing this MOU.

2. Deliver for Pierce County's review and approval, a proposed Project Schedule identifying major milestones for Project financing, design, permitting, and construction within 120 days of executing this MOU.
3. Deliver for Pierce County's review and approval, an updated financial plan that demonstrates financial viability of construction and operation of the proposed Project within 120 days of executing the GLA.
4. Obtain site plan approval by the City of University Place to be completed within 120 days following execution of the GLA (based on the site plan previously approved by Pierce County).

Information and tasks required from County:

1. Deliver to Developer a preliminary title report of the land that will be leased to Developer pursuant to the GLA and copies of all underlying documents referenced therein to be provided within 30 days of executing this MOU.
2. Deliver to Developer a survey of the Property for use in preparing a legal description of the leased Property.
3. Deliver to Developer any and all geotechnical and civil tests, studies, and reports in Pierce County's possession relating to the Property to be provided within 30 days of executing this MOU.
4. Utilize commercially reasonable efforts to obtain approval of the Chambers Creek Master Site Plan and associated supplemental environmental impact statement by the City of University Place.

**Effective Date and Term.** The "Effective Date" of this MOU shall be May 31, 2017. The term shall commence on the Effective Date and unless earlier terminated as set forth below, shall continue until the earlier of: (a) the Parties' execution of the GLA; or (b) at the end of twelve (12) months after the Effective Date unless extended by mutual agreement of the Parties.

**Costs.** Each Party shall bear their own costs to provide information and complete certain tasks except that the Developer shall reimburse Pierce County for reasonable legal costs necessary to prepare and negotiate the GLA and any related documents or agreements not to exceed \$75,000. If appropriate, Pierce County shall take the lead in drafting the GLA and Developer's consultant shall take the lead in drafting other documents necessary for the development. In no event shall Developer be required to reimburse Pierce County for its own staff time. Eligible Pierce County legal costs shall be reimbursed at the time Developer receives a commitment for financing of the Project. If the Parties do not come to an agreement for the GLA, or the GLA is cancelled before the Developer takes possession of the Property and the Developer is not then in default, each

Party will bear its own legal costs and Developer shall have no obligation for any of Pierce County's legal costs.

**Exclusivity.** During the term of this MOU, Pierce County shall not negotiate nor enter into any agreements with any other party for a purpose significantly similar to the purpose of this MOU, provided, nothing herein shall prohibit Pierce County from providing public information to 3rd parties interested in the progress and design of Chambers Creek Master Site Plan elements not specifically described in the Term Sheet.

**Confidentiality.** Pierce County and Developer will develop a joint press release publicizing the execution of this MOU. The Parties may jointly choose to publicize additional details of this agreement based on mutual agreement to do so; otherwise Pierce County may only disclose the agreement in response to a lawful Public Records Act request in accordance with RCW 42.56 et seq.

**Amendment.** This MOU represents the entire understanding of the Parties as of the Effective Date and supersedes any prior or contemporaneous agreements, whether written or oral, with respect to the subject matter hereof. This MOU may only be amended by a written instrument executed by both Parties.

**Assignability.** Except with the other Party's prior written consent, this MOU shall not be assignable by either Party and any attempt to do so shall be null and void.

**Termination.** Either Party may terminate this MOU upon written notice to the other Party: (a) if the other Party materially breaches this MOU in such a manner that is curable and fails to cure such breach within five (5) days following receipt of written notice specifying the breach in detail; or (b) immediately upon providing written notice if the other Party materially breaches this MOU in such a manner that is not curable, e.g., the disclosure of Confidential Information but for public records requests. Developer may terminate this MOU upon written notice to Pierce County if Developer determines that the Project is not economically feasible.

**Governing Law.** This MOU shall be governed by the laws of the State of Washington.

**Disputes.** The Parties agree that all disputes arising out of this MOU which the Parties are unable to resolve on their own, shall be first submitted for resolution to one mediator to be selected by the Parties. If the Parties are unable to agree to the mediator then the mediator shall be selected from the mediator list maintained by JAMS. If the Parties are unable to resolve their dispute through such mediation, the dispute shall be resolved through binding arbitration before one arbitrator to be selected by the Parties. If the Parties are unable to agree to the arbitrator, then the arbitrator shall be selected from the arbitrator list maintained by JAMS. Each Party shall bear its own costs and attorney fees for the mediation and arbitration, but shall bear the mediator's/arbitrator's fee equally. The Parties hereby consent to sole and exclusive jurisdiction and venue by and in the state courts located in Pierce County, Washington for any litigation arising from or related to this MOU.

**Partially Non-Binding.** This MOU is an expression of intent only, and does not set forth all of the matters upon which agreement must be reached in order for the Project to be completed and the proposed transactions to be consummated. The proposed terms and the respective rights and obligations of the Parties remain to be defined in the GLA and related documents (the terms and provisions of which will be subject to approval by the Parties). The Parties do not intend to be legally bound by this MOU or to otherwise incur any obligations with respect to the proposed transactions until such time as the GLA is executed and delivered. Accordingly, this document does not constitute a legally binding agreement with respect to the proposed terms and does not create any legal obligations on the part of, or any rights in favor of, the Parties; provided, however, that notwithstanding anything contained in this paragraph the provisions of this paragraph and under the headings Access (with respect to the Access Indemnity only), Effective Date and Term, Costs, Exclusivity, Confidentiality, Assignability, Termination, Disputes, Survival, Governing Law, and Jurisdiction shall be legally binding upon and enforceable against the Parties and shall survive expiration or earlier termination of this MOU.

**THIS MOU IS AGREED TO AND ACCEPTED:**

**DEVELOPER**

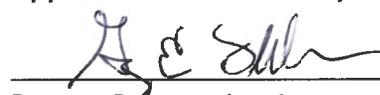
**CHAMBERS BAY DEVELOPMENT, LLC**

 5/31/17  
Signature *Managing Member* Date

**PIERCE COUNTY**

 22 JUNE 2017  
County Executive Date

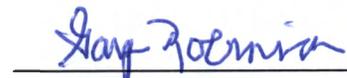
**Approved as to form only**

 6/19/17  
Deputy Prosecuting Attorney Date

**Approved**

 5/31/17  
Director, Parks and Recreation Date

 6/21/17  
Director, Planning and Public Works Date

 6/21/17  
Director, Finance Date

**EXHIBIT A**

**Ground Lease Agreement (“GLA”) Term Sheet**

**Landlord:** Pierce County

**Tenant:** Chambers Bay Development LLC and/or permitted assigns

**Leased Property:** A portion of the real property located at 6310 Grandview Drive West, University Place, WA 98467 as tentatively depicted in Exhibit B attached hereto (the “Parcel”).

**Building:** The existing Clubhouse and associated ancillary temporary structures situated on the Parcel (the “Building”).

**Project:** Tenant to develop a resort hotel, restaurant, spa, event space, golf clubhouse, and golf course support facilities on the Parcel. Tenant will develop, construct and operate certain improvements to the Parcel (the “Project”); as of the date of this proposal the Parties anticipate the Project will include:

1. No more than 190 hotel or golf villa units;
2. Event and meeting space;
3. New clubhouse and pro shop (the “Clubhouse”)
4. Spa;
5. Restaurant and bar;
6. Publicly accessible outdoor amenities including a new public plaza and enhanced recreational trails; and
7. 200 parking spaces or the minimum required under University Place Municipal Code for the proposed Project
8. Up to 239,000 sq. ft. of total building space

Landlord and Tenant understand that the Project will be further refined and defined during the Term of the MOU.

**Commencement Date;  
Rent Commencement  
Date:**

The GLA term shall commence upon the full execution of the GLA (the “Commencement Date”). Tenant’s obligation to pay rent to Landlord pursuant to the terms of the GLA shall commence on the date when the Developer begins construction activities that require Pierce County to cease operating the existing clubhouse Building and associated ancillary temporary structures on the Leased Property (the “Rent Commencement Date”).

***Project Approvals:***

Tenant shall have obtained all governmental approvals and permits with the exception of the building permit necessary or desirable to commence construction of the Project and operate the improvements associated with the Project in accordance with Tenant's and Landlord's requirements, including, but not limited to, building permits, conditional use permits, and site plan approvals. The permits and approvals referred to in this paragraph shall be referred to herein collectively as "Project Approvals." For the purposes of this paragraph, the Project Approvals shall not be deemed to have been "obtained" until each of the same has become final and non-appealable, and any periods for challenge to discretionary approvals shall have expired. Any conditions, requirements for off-site improvements or services, in-lieu fees or payments, dedication or reservation requirements, local improvement district costs, connection charges, assessments, mitigation fees, impact fees, permit fees and any other similar fees and charges imposed on the Project by any governmental entity or utility service provider shall be subject to Tenant's approval. In the event Tenant is unable to obtain the Project Approvals by August 31, 2018 despite using commercially reasonable efforts, Tenant or Landlord may terminate the GLA by written notice to the other Party.

***Guaranty:***

Prior to the start of any construction, Tenant shall either:

- 1) Post a guaranty bond made payable to the Landlord in the sum of \$2,500,000, or provide a guaranty from an individual or entity approved by Landlord, which shall be held by Landlord as security for the completion of construction of the Project; or
- 2) Post a performance, payment bond or other bond ensuring completion of the Project by an individual or entity approved by Landlord

If Tenant opts for providing a guaranty as outline in #1 or a bond as provided in #2 above, and should Tenant fail to complete construction, then the Parties shall have no further obligations to one another, the GLA shall terminate, and Landlord shall have the right to lease the Parcel to any other party. In such event, Tenant shall assign to Landlord all Project Approvals and any plans, specifications, drawings, reports, tests, surveys and any other information produced by or for Tenant and relevant to the Parcel and the Project at no cost to Landlord but without warranty from Tenant.

**Term:** 50 years from the Commencement Date with five options to extend the GLA for 10 years each (each, an "Extension Term").

**Base Rent:** Base Rent shall commence on the Rent Commencement Date.

Tenant shall pay Base Rent upon receipt of a Certificate of Occupancy for the entire Project at the rate of \$450,000 per annum, paid monthly for a period of 8 years without periodic adjustment. At the conclusion of the 8<sup>th</sup> year, the rent shall be increased by 5% and will increase by 5% every 4th year for the duration of the GLA.

In addition, Tenant will pay Rent from the date Developer begins construction activities that require Pierce County to cease operating the existing clubhouse Building and associated ancillary temporary structures on the Leased Property, until receipt of a Certificate of Occupancy for the entire Project at a mutually agreed upon rate intended to reflect the compensation for lost profit of the food and beverage operations.

The GLA shall include a Base Rent provision for the Landlord to lease a portion of the facility for management of the Golf Course operations for terms and rates to be mutually agreed upon.

**Additional Rent:** Tenant shall be responsible for all operating costs and expenses of the Parcel and Project, including, but not limited to, leasehold excise tax and real and personal property taxes and assessments, insurance, utilities, surface water management, and maintenance and repair of the Project. The GLA will be "triple net" to Landlord. The Landlord shall continue to be responsible for all costs associated with operating and maintaining all Chambers Creek Regional Park outside of the Parcel leased to Tenant.

**Percentage Rent:** The GLA shall include a Percentage Rent provision that provides for the payment of Percentage Rent to Landlord when the gross revenues or operating profit from the Project exceeds a certain threshold, to be mutually agreed and described in the GLA. At the Landlords option, the Percentage Rent agreement may be in lieu of the Base Rent and/or increases described above.

***Extension Terms:***

Tenant shall have **Five Options** to extend the Term by **10 years** each, exercisable by Tenant not later than one (1) year prior to the expiration of the then-existing term.

***Improvements:***

Both Parties shall agree in good faith to minimize the costs of relocating or abandoning the existing clubhouse building and providing a fully functional, temporary clubhouse suitable for interim golf course operations during construction of the Project. Payment of costs related to this will be subject to mutual agreement. Any proceeds from selling the existing clubhouse shall accrue to the Landlord. All improvements and landscaping are to be completed for the Project pursuant to the terms of the GLA. Landlord shall have the right to approve the plans and specifications for the Project and any major alterations thereto. Such approval shall not be unreasonably withheld. In addition, the GLA will contain a Project schedule and milestones. At the expiration or earlier termination of the GLA, all buildings, improvements, and FF&E, subject to this lease and owned by Developer shall revert to Landlord at no cost to Landlord. In addition, Landlord shall purchase any inventory, supplies and other tangible and intangible personal property used in operation of the facilities at fair market value.

***Assignment/  
Subletting:***

Tenant will not have the right to assign the GLA prior to completion of construction of the Project without Landlord's approval in its sole discretion. Thereafter, Tenant may assign with Landlord's prior written consent, not to be unreasonably withheld or delayed provided (i) assignee has the financial assets necessary to own, operate and maintain the Project and (ii) assignee has appropriate management and operation experience of comparable projects. An assignment or other transfer of the interests of key members of Tenant shall constitute an assignment for purposes of this provision. Provided, however, following completion of construction, that transfers of interests i) between members, ii) to a member's family-controlled entity (for example, a family trust), iii) within a member's family, or iv) made for estate planning purposes, shall not require Landlord's approval. Tenant may sublease to approved operators as more particularly provided in the GLA. It is contemplated that subleases will be permitted and Landlord will provide a commercially reasonable subordination, non-disturbance and attornment agreement to such subtenants (i.e., to recognize such subleases in the event of a termination of the GLA).

***Maintenance and  
Operation  
of the Project:***

Landlord shall have customary rights with respect to approval of use and maintenance standards of the Project in order to assure the Project is maintained and used in a first class manner compatible with the Golf Course.

Landlord shall maintain all dedicated public trails and facilities in conjunction with the maintenance of the adjacent golf course and park amenities.

Landlord shall provide to Tenant during the term of the GLA the right of quiet enjoyment appropriate for a high-end resort. Tenant recognizes the development is situated within a public park site where citizens conduct recreational activities which generate a certain level of noise and activity.

Tenant shall provide to Landlord the right of quiet enjoyment appropriate for a Championship golf course and public park.

Landlord and Tenant shall periodically consult with each other with a view to integrating Project operations with Golf Course operations.

Tenant shall maintain and utilize a FF&E reserve in an amount necessary to maintain and operate the Project in a first class manner.

***Tenant's Financing:***

The GLA will contain customary provisions permitting Tenant to obtain leasehold mortgage financing and customary protections for leasehold mortgage lenders including:

1. Right to receive all notices of default and longer cure periods to prevent termination of GLA;
2. Cure periods automatically extended during period lender is pursuing foreclosure or lender is prevented from foreclosing due the Tenant's bankruptcy;
3. Landlord will waive incurable defaults after foreclosure by Tenant's lender;
4. If the GLA terminates for any reason, Landlord will grant a new GLA for the remaining term of the terminated GLA to lender upon same terms as the GLA;
5. Any amendment or modification of the GLA will require Lender's consent; and

6. Any financing of the Landlord's fee interest must be subject and subordinate to the GLA (and any new lease required by tenant's lender) and all subleases (and all future modifications thereof).
7. The right of any mortgage lender or their successors to assume, extend or renew the GLA shall be conditioned on the cure of all monetary and other curable defaults, compliance with all terms of the GLA and assumption of all obligations and liabilities under the GLA.

In no event will Landlord subject its fee interest in the Parcel to any mortgage or deed of trust supporting Tenant's financing, i.e. there will be no subordination of Landlord's fee interest in the Parcel.

***Insurance:***

Tenant and Landlord will be required to carry customary commercial general liability insurance and property insurance in amounts and with deductibles as will be set forth in the GLA. Tenant and Landlord will be named an additional insured in such policies.

***Rights of First Refusal  
And Offer:***

The GLA shall include a right of first refusal in favor of Tenant to purchase the Parcel and/or the existing golf course, and in favor of Landlord to purchase the Project, if either decides to sell all or substantially all of same. The terms of the right of first refusal and the form of purchase agreement shall be attached to the GLA.

In addition, the GLA shall include the following rights of first offer in favor of the Tenant:

- If Landlord determines residential development, including, but not limited to multi-family, senior housing and/or hotel on the any of the Chambers Creek property is appropriate for the site, the Landlord grants to Tenant the first right of offer to enter into a GLA for said development on the Parcel or adjacent Parcels.
- Landlord grants to Tenant the first right of offer to enter into an agreement for all or any portion of the Environmental Services Building ("ESB") and property, including, but not limited to, expansion of the facility.
- Landlord grants to Tenant the first right of offer to enter into an agreement for operating the golf course if Landlord elects to change managers.

- Any Right of First Offer must be exercised within 60 days of Developer's receipt of written notice from Landlord of its intent to sell or lease the subject Property.
- The Landlord shall have, in its sole and unfettered discretion, the right to reject any offer from Tenant, regardless of its terms.

***Closing Costs:***

Tenant shall pay all escrow and recording fees related to the GLA, and the cost of any leasehold title policy required by Tenant in connection with the GLA. Each Party shall pay its own legal fees (subject to the cost reimbursement set forth in the MOU).

***Additional Landlord  
And Tenant  
Covenants:***

As part of the GLA, Landlord and Tenant will agree during the term of the GLA:

- (1) Landlord will cause the Golf Course to remain in operation substantially in accordance with the current standards and be maintained in championship condition as currently defined provided the sport of golf and operating a golf course remain financially viable enterprises per standards to be mutually agreed to in the GLA;
- (2) Tenant shall grant Landlord or its assignee the right to sublease the new Clubhouse building following construction for a mutually agreed upon rate;
- (3) Landlord will not permit any other hotels to lease Parcels or operate on the Golf Course or on land owned by Landlord on any of the Chambers Creek property. (as more particularly described in the GLA), without approval of the Tenant;
- (4) Landlord will not permit additional restaurant(s) on the Chambers Creek property without approval of the Tenant for the first 25 years of the GLA; In addition, the Landlord shall provide the Tenant the first right of offer to provide additional restaurant(s) on the Chambers Creek property;
- (5) Landlord and Tenant will agree on permitted events, food and beverage services offered at the ESB subject to procedures to be mutually agreed upon. Tenant shall be the sole operator and food-and-beverage provider of private events utilizing the designated event areas of

the ESB subject to the payment of rental fees for use of the space. For Landlord events at the ESB, Landlord will retain the right to host events and procure food and beverage services of its choosing, upon procedures to be mutually agreed upon;

- (6) Landlord will permit guests and users of the Project to obtain priority tee times and price discounts for the Golf Course upon advance notice and procedures to be mutually agreed;
- (7) Tenant will complement and support Landlord's ability to host large national golf championships, which includes a commitment to reserve rooms and event space for United States Golf Association ("USGA") or Professional Golfers Association of America ("PGA") use for a prescribed period before, during and after the event at rates and upon other procedures to be mutually agreed. Tenant recognizes that conducting national golf championships may require closure of the Chambers Bay Golf Course and adjacent property for a period of time before and after the event which will potentially impact Tenants normal business operations;
- (8) Landlord will permit Tenant to use the Environmental Services parking lot overflow parking for events at the Project upon procedures to be mutually agreed;
- (9) Landlord will maintain control and ownership over all excess excavated minerals and soil (including sand and gravel) produced or generated during construction and not incorporated into the Project, with the right to direct any materials to on-site stockpiles upon procedures and costs to be mutually agreed;
- (10) Landlord will use commercially reasonable efforts to continue development of a daily use moorage dock on the waterfront of the Golf Course to the extent financially feasible;
- (11) In the event the parking area on the Parcel is not sufficient to meet parking requirements established by applicable code or as required by the City of University Place, Tenant shall construct any additional required parking outside of the Parcel and dedicate it to Landlord simultaneously with a shared-use parking agreement as mutually agreed by Landlord and Tenant;
- (12) Tenant agrees that Landlord is the owner of the "Chambers Bay" trademark with respect to its use to identify a golf resort and its components, including but

not limited to lodging, housing, restaurants, and recreational activities. The GLA shall include a non-exclusive license in favor of Tenant to use "Chambers Bay" for marketing/branding of the Project in a manner approved by Landlord;

- (13) To the extent Landlord allows extended stay lease rentals of the units, a formula shall be developed that requires those units be converted to overnight rentals when certain occupancy and financial performance thresholds for the Project are met;
- (14) Tenant will be provided a joint use agreement to utilize other portions of the site for special events, including but not limited to the Central Meadow, outdoor lawn spaces, parking lots, the waterfront and proposed future dock area, upon procedures and costs to be mutually agreed to.

Tenant has the first right to operate and provide any food and beverage services to any proposed events in these spaces. Tenant has the right to propose and plan events using this space, with the advance approval of the Landlord upon procedures and costs to be mutually agreed to.

The Parties agree that the GLA will include a provision establishing procedures for reasonable advance notice to the Tenant for any events proposed and hosted by the Landlord, and that use shall not unreasonably interfere with Tenant's right to quiet use and enjoyment of the Hotel and Villas.

Tenant shall have no first right to provide food and beverage services to any USGA, PGA or other professional golf association events. Provision of food and beverage at these types of golf events shall be subject to negotiations between the Landlord, Tenant and applicable golf association.

**Exhibit B  
Leased Property Description**

**Exhibit B: Chambers Creek Property**

Located at 6310 Grandview Drive West, University Place, WA 98467

