

LETTER OF UNDERSTANDING
between
Therme Group US
and
**the District of Columbia Government acting through the Office of the Deputy Mayor for
Planning and Economic Development**

Summary: Therme Group US and the District of Columbia Government wish to collaborate in efforts to locate a Therme in our nation's capital. Therme facilities are 450,000-600,000 ft² destinations that combine thermal bathing, sauna treatments, and family-friendly water-based attractions with cutting-edge architecture and cultural programming. A Therme DC would attract millions of visitors each year, produce thousands of jobs, generate hundreds of millions of dollars in revenue and thus align with the District's Comeback Plan. The Comeback Plan is the District's five-year economic development strategy, focused on ensuring DC remains a place where people choose to live, work, visit and thrive. A Therme DC could support that objective.

Therefore, Therme Group US (Therme) and the District Government acting through the Office of the Deputy Mayor for Planning and Economic Development (DMPED) enter into this Letter of Understanding (LOU) that provides for Therme to identify a suitable location for a Therme facility in the District of Columbia to the exclusion of all other locations in the Washington–Baltimore–Arlington, DC–MD–VA–WV–PA Combined Statistical Area (Area or “CSA). This exclusivity will last for one year. This LOU also provides that the District of Columbia, acting through DMPED, will support Therme's efforts to identify a location in the District to the exclusion of other locations in the Area and will assist in these efforts as described below.

Background: Therme US has outlined plans to introduce urban wellbeing centers to five US cities, ideally with the District as the first US location. Therme US is a subsidiary of Therme Group, which builds world-class, multi-acre, large-scale (~450,000-600,000 ft²) community wellbeing facilities with indoor water recreation, botanical gardens, mineral baths, spas, restaurants, and world-class public, open spaces. Therme Group is a leading global company and integrator of health, sustainability, and recreation concepts focused on revolutionizing the wellbeing industry. Guided by the principle of “wellbeing for all,” Therme develops facilities that combine thermal bathing, sauna treatments, and family-friendly water-based attractions with cutting-edge architecture and cultural programming. Therme facilities represent a new, holistic model of urban recreation and rejuvenation – all delivered at an accessible price point designed to serve customers of all ages.

Therme intends to integrate into its surrounding communities by:

- Creating deep and meaningful relationships with community leaders in the wellness space.
- Generating engaged economic development strategies that build up small business in the area.
- Supporting local arts & culture individuals and organizations by providing a platform to expand their reach.
- Creating jobs for people of various skill levels and linking those jobs to great career paths.

Acknowledgements: DMPED and Therme US (Signatories) acknowledge that a Therme DC aligns with DMPED's and the Mayor's goals as referenced in the recently released DC Comeback Plan, the city's five-year economic development strategy that centers around making Washington, DC a place for successful businesses, opportunity-rich neighborhoods, and thriving people. Therme facilities offer a unique form of social infrastructure for contemporary American cities, providing a large-scale, integrated, and preventative platform for promoting health and wellbeing and creating civic icons that will be major destinations within each market. Therme intends its facilities to be a response to some of the most powerful trends reshaping cities today: a growing focus on health and wellness; an increased desire for contact with nature; and an insatiable hunger for grand, collective, in-person experiences. All three of these societal trends have only been reinforced by the COVID-19 pandemic.

Further, the Signatories acknowledge that a Therme DC would provide not only a state-of-the-art amenity for District residents and visitors, it will also generate significant economic impact and workforce opportunities. Therme estimates that a Therme DC would create more than 7,200 jobs during construction and 700-800 permanent jobs upon facility stabilization. Therme also \$1.1 Billion nominal tax revenue flow to the District from a Therme facility over 25 years. Furthermore, Therme estimates that annual visitation to a Therme DC would be on par with the Smithsonian American Art Museum, the Kennedy Center, and the National Museum of African American History & Culture.

Commitments:

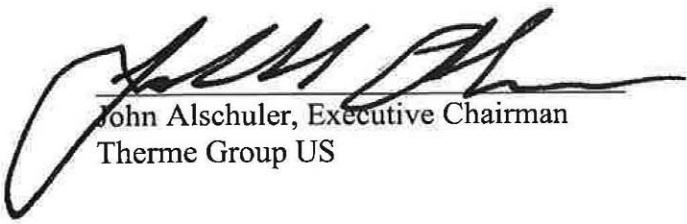
Therme: During the term of this LOU, Therme acknowledges that it will provide the District with the exclusive right of first refusal on a new location in the CSA. During the period of exclusivity, Therme will search the District for suitable site locations and will begin to engage with District agencies, Councilmembers, Advisory Neighborhood Commissions, neighborhood associations and groups, Business Improvement Districts, and other resident, community, and business organizations including tourism organizations with the purpose of building community support for one site location. Therme will also provide market study and financial feasibility documents to the District, as requested.

DMPED: During the term of this LOU, the District will assist Therme to identify a suitable location in the District, including facilitating meetings with interested members of the Council of the District of Columbia, community leaders, residents, and government agencies and representatives.

If a suitable location is identified, the Signatories will endeavor to reach an agreement for the proposed site within 12 months.

Non-Binding: This LOU is intended only as a reflection of the intention of the parties, and neither this LOU nor its acceptance shall constitute or create any legally binding or enforceable obligation on any party. Either the District or Therme may at its sole discretion terminate discussions for any reason by giving written notice of termination to the other party.

The Signatories enter into this Letter of Understanding effective as of the date first set forth below:



John Alschuler, Executive Chairman
Therme Group US

5/10/23
Date



boxSIGN 1XVX2YU-4YRXP3PY

Keith Anderson, Interim Deputy Mayor
Office of the Deputy Mayor for Planning & Economic Development

Date