FORM GEN. 160 (Rev. 6-80)

#### CITY OF LOS ANGELES

#### IN ER-DEPARTMENTAL CORRESPONDEN E

July 31, 2008

TO:

Honorable Members of the Trade, Commerce

and Tourism Committee

FROM:

Gerry F. Miller

Chief Legislative Analyst

Assignment No:

08-07-1360

Pouria Abassi, P.E.

General Manager and CEO, Los Angeles Convention Center

Los Angeles Convention Center Signage Proposal

#### **SUMMARY**

In April, 2007, the L.A. Arena Land Company, Inc. (LandCo) submitted a proposal to the City to guarantee certain revenue flows to the City in exchange for exclusive signage rights on the Los Angeles Convention Center (LACC). The proposal provided for a \$2 million payment to the City, to be escalated at five percent every five years. At the time, LandCo offered to prepay \$10 million of the annual payments, and that amount was included in the 2007-08 Budget. The Council instructed the Chief Legislative Analyst (CLA) and LACC to proceed to negotiate the signage rights. Negotiations were completed in the spring of 2008. In connection with their Financial Status Report No. 4, the City Administrative Officer (CAO) indicated that expected revenues were sufficient to forgo the prepayment of the signage rights. Accordingly, it was determined that it was in the City's interests to receive annual, escalating payments rather than the one-time infusion of cash. This report presents to the Council the results of the negotiations. The final deal is substantially better for the City than the original proposal, as explained more fully herein.

This action does not provide approvals for any land use entitlement actions. LandCo will be required to submit applications to all appropriate governmental agencies to obtain entitlements that would allow existing signage to be modified pursuant to the Agreement.

The Agreement obligates LandCo to pay a guaranteed annual fee of \$2 million with a 3% per year escalation provision. A revenue sharing component has also been developed in the event that the proposed signage plan generates more revenue than is currently anticipated. The term for this Agreement is 10 years, with the option for LandCo to extend the Agreement for two additional 10-year periods.

A portion of the proposed signage will be sold to sponsors currently active within the Sports and Entertainment District (District Sponsors) and a portion will be sold to other sponsors. No signs will advertise tobacco products, alcoholic beverages (except beer), firearms, or adult entertainment. Signage installed will include electronic displays, which will include announcements of events, information, and promotion of exhibitors, promoters, and events held at the LACC and LA Live. The

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signage plan will include both static and dynamic displays. The LACC shall retain control over interior signage for the Convention Center property.

#### RECOMMENDATION

That the City Council:

- 1. Authorize the General Manager and CEO, Los Angeles Convention Center, or designee to execute the Signage and Advertising Agreement between L.A. Arena Land Company, Inc., and the City of Los Angeles (Attachment A), to implement exclusive signage provisions in the Reciprocal Easement and Environmental Restriction Agreement dated March 26, 1998;
- 2. Authorize the General Manager and CEO, Los Angeles Convention Center, or designee to execute and record the Grant of Easement (Attachment B) in favor of L.A. Arena Land Company, Inc., upon execution of the Signage and Advertising Agreement, obtaining of all required land use entitlements by LandCo, and concurrence of the Chief Legislative Analyst and the City Administrative Officer;
- 3. Request the Community Redevelopment Agency to consider the proposed Third Amendment to the Reciprocal Easement and Environmental Restriction Agreement (Attachment C) between the City of Los Angeles, the Community Redevelopment Agency, and L.A. Arena Land Company, Inc., to incorporate provisions related to the Signage and Advertising Agreement; and
- 4. Instruct the LACC and the City Attorney to prepare the necessary ordinance to implement the signage plan associated with the Signage and Advertising Agreement.
- 5. Instruct the LACC to file a Notice of Exemption with the County Clerk

#### **BACKGROUND**

In March 1998, the City, the Community Redevelopment Agency (Agency), and LandCo entered into the REA related to pedestrian and roadway access, the Gilbert Lindsay Plaza, utility easements, parking, and signage concerning the Convention Center and adjacent properties. The REA provides detailed information concerning the signage rights assigned to LandCo, including signage locations, restrictions on the types of signage that may appear, and costs for construction. The provisions in the Agreement do not conflict with the terms previously approved in the REA.

However, the REA must be amended to reflect the completion of negotiations related to the LACC exterior signage provisions within the REA. This would be the third amendment to the REA. This Third Amendment to the REA would also need to be considered by the Agency.

#### Fee Escalation and Revenue Sharing

The Agreement provides for annual guaranteed payments of \$2 million by LandCo to the City, with an escalation of the fee by 3% annually compounded. Payments will be made quarterly.

Revenue sharing terms provide additional payments to the City to ensure that the City receives adequate compensation for use of its facilities. Annual direct operating and maintenance costs and the amortized capital costs of the signage will be deducted by LandCo from gross revenues earned by the installed signage. Of the remaining revenues, the first \$5 million (escalated by 3% annually) will be distributed as follows: 75% to LandCo and 25% to the City. The next \$5 million will be distributed equally to the City and LandCo. Any additional revenues will be distributed as follows: 25% to LandCo and 75% to the City.

#### **Entitlements**

A range of land use entitlement approvals are required in order to implement the modified signage plan for this area. An existing signage ordinance governs the existing exterior signage for the Los Angeles Convention Center. This signage ordinance will need to be amended before the signage plan contemplated in the Agreement can be installed.

This Agreement does not provide any regulatory approvals for the contemplated signage plan. LandCo will be required to apply for all necessary approvals from various governmental agencies that have authority over the proposed signage installation, operation, and maintenance.

#### Environmental

The proposed project is an exempt activity from the California Environmental Quality Act (CEQA) pursuant to Article II, Section 2(i) of the City CEQA Guidelines which exempts any activity (approval of bids, execution of contracts, allocation of funds, etc.) for which the underlying project has previously been evaluated for environmental significance and processed according to these Guidelines. If this Agreement is approved, a Notice of Exemption should be filed with the County Clerk.

#### FISCAL IMPACT

This agreement will generate a minimum of \$2 million per year with an annual 3% escalation factor. In addition, revenue sharing is expected to generate additional funds.

John Wickham

Análvst

Attachment A

Signage and Advertising Agreement

Attachment B

Grant of Easement

Attachment C

Third Amendment to the REA

## Attachment A

#### SIGNAGE AND ADVERTISING AGREEMENT

This SIGNAGE AND ADVERTISING AGREEMENT (this "Agreement") is made and entered into as of \_\_\_\_\_\_\_, 2008 by and between L.A. ARENA LAND COMPANY, LLC, a Delaware limited liability company, successor- in- interest to L.A. ARENA LAND COMPANY, INC. ("LandCo") and the City of Los Angeles, a charter city and municipal corporation (the "City"). The City and LandCo are sometimes collectively referred to herein as the "Parties" and individually as "Party".

#### RECITALS

**WHEREAS**, the City is the owner of that certain real property located in the City and County of Los Angeles, State of California, commonly known as the Los Angeles Convention Center and more particularly described on <a href="Exhibit A"><u>Exhibit A</u></a> attached hereto (the "Convention Center" or the "Convention Center Property");

WHEREAS, LandCo is (i) the owner and developer of a mixed-use project commonly known as LA Live and more particularly described on <u>Exhibit B</u> attached hereto ("<u>LA Live</u>"), and (ii) the owner of the sports arena located in the City and County of Los Angeles, State of California, commonly known as the STAPLES CENTER (the "<u>Staples Center</u>");

WHEREAS, the Parties agree that it is to their mutual benefit to design, entitle, install, market, sell and operate a signage, advertising and message display system throughout the Convention Center;

WHEREAS, the City, LandCo and The Community Redevelopment Agency of the City of Los Angeles, California (the "CRA") are parties to that certain Reciprocal Easement and Environmental Restriction Agreement dated as of March 26, 1998 and recorded on March 27, 1998 as Instrument No. 98-501502 (as amended by that certain First Amendment to Reciprocal Easement and Environmental Restriction Agreement dated as of November 10, 2005 and recorded on December 1, 2005 as Instrument No. 05-2934860 and that certain Second Amendment to Reciprocal Easement and Environmental Restriction Agreement dated as of November 10, 2005 and recorded on December 1, 2005 as Instrument No. 05-2934859, the "Original REA"), pursuant to which, among other things, (i) the Parties have granted each other certain rights and easements in, over and across certain portions of the Property, (ii) the City has granted a license and certain signage rights to LandCo with respect to the South Hall Signage and a Pylon Sign on the Convention Center Property, and (iii) the City has granted LandCo exclusive signage rights for the display of commercial names or logos anywhere on the Convention Center Property visible from the exterior of improvements thereon; and

WHEREAS, concurrently herewith, the City, LandCo and the CRA are amending the Original REA pursuant to that certain Third Amendment to Reciprocal Easement and Environmental Restriction Agreement (the "Amendment to REA") in order to provide additional signage rights to LandCo (the Original REA, as amended by the Amendment to REA, is hereinafter referred to as the "REA"). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the REA.

#### **AGREEMENT**

**NOW, THEREFORE**, in consideration of the mutual covenants contained in this Agreement, the recitals set forth above and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

- 1. <u>Rights to Commercial Sales</u>. Subject to the terms and conditions of this Agreement, including, without limitation, the City's rights pursuant to Sections 2.2 and 4.3 of this Agreement to grant signage rights to Convention Center exhibitors, LandCo shall have the exclusive right to sell commercial advertising on the signage located on the exterior of the Convention Center (the "Commercial Sales").
- 2. <u>Description of Signage</u>. The following signage displays and electronic displays ("<u>Commercial Signage</u>") shall be permitted to be installed on to exterior of the Convention Center as set forth in the Signage Plan (as hereinafter defined):
- 2.1 <u>Signage Displays</u>. Subject to the terms and conditions set forth in Section 2 of this Agreement, new signage displays throughout the exterior of the Convention Center, to be used for Commercial Sales (the "<u>Signage Displays</u>") as set forth on the Signage Plan.
- 2.2 Electronic Displays. Subject to the terms and conditions set forth in Section 2 of this Agreement, electronic display boards and message reader boards (the "Electronic Displays") in select locations around the Convention Center as set forth in the Signage Plan (as hereinafter defined). Such Electronic Displays will be used for (i) the display of event announcements, informational messages and promotional displays on behalf of exhibitors, promoters, and participants in events at the Convention Center and LA Live ("Event Use"), which Event Use shall include (a) announcing and publicizing Convention Center, Staples Center and LA Live events, (b) selling promotional opportunities on such Electronic Displays to exhibitors and participants in such events, and (ii) the sale of commercial advertising by LandCo. The Electronic Displays shall be used approximately twenty-five percent (25%) for Event Use, approximately twenty-five percent (25%) for display of advertising for LandCo's District Sponsors (as hereinafter defined), and approximately fifty percent (50%) for Commercial Sales by LandCo. The Event Use shall be allocated among the Convention Center, Staples Center, and LA Live based on the proportion of actual events occurring at the respective facilities; provided, however, that during Convention Center events, the Event Use will be allocated principally to such Convention Center events. For purposes of this Agreement, "LandCo District Sponsor" shall mean one (1) of up to ten (10) sponsors to whom LandCo has granted sponsorship and exclusivity rights throughout the District. Subject to the terms of this Agreement, including but not limited to, the City's rights to provide Event Use signage to Convention Center exhibitors, LandCo shall control and operate the Electronic Displays.

- 2.3 <u>Proposed Signage Plan</u>. Attached hereto as <u>Exhibit C</u> is a proposal setting forth the descriptions, renderings and elevations for the Signage Displays and the Electronic Displays (the "<u>Proposed Signage Plan</u>"). LandCo shall utilize this proposed plan for development of a final signage plan (the "<u>Final Signage Plan</u>") that is subject to the reasonable approval of the City. The Final Signage Plan is subject to further revision pending final design and costing, final receipt of entitlements, and potential modifications to LandCo's sales and business plan.
- 2.4 Signage Plan Modifications. Subject to the terms and conditions set forth in Sections 2 and 9.4 of this Agreement, the Final Signage Plan may be further modified or amended from time to time (a) without the consent of the City, provided that the proposed modification does not increase the aggregate square footage of the signage (a "Minor Modification"), (b) with the reasonable consent of the General Manager of the Convention Center, provided that the proposed modification increases the aggregate square footage of the signage by no more than twenty percent (20%) of the aggregate square footage set forth in the Final Signage Plan (a "Moderate Modification"), and (c) in the event the proposed modification increases the aggregate square footage of the signage by more than twenty percent (20%) of the aggregate square footage set forth in the Final Signage Plan, such modification shall be subject to the reasonable approval of the City Council (a "Major Modification"). All modifications pursuant to this Section 2.4 shall also require confirmation by the City that the modifications will not affect the tax exempt status of bonds financing the Convention Center Property. The Proposed Signage Plan or the Final Signage Plan, as amended by a Minor Modification, a Moderate Modification or a Major Modification, shall hereinafter sometimes be referred to as the "Signage Plan". The Signage Plan, once approved and executed with all necessary entitlements in place, will be incorporated into and made a part of this Agreement by means of an amendment.
- 2.5 <u>Replacing Signage</u>. LandCo shall be responsible for the maintenance and operation of the Commercial Signage, and may, from time to time, upgrade or replace such signage, subject to the approval rights of the City as set forth in this Agreement.
- 2.6 <u>Easement</u>. Pursuant to the terms of that certain Grant of Easement, a form of which is attached hereto as Exhibit D (the "<u>Easement Agreement</u>"), LandCo shall be granted a nonexclusive easement over the entire Convention Center Property visible from the exterior of improvements thereon for purposes of installing, using and maintaining the Commercial Signage. Promptly after receipt of land use entitlements to the Signage Plan, the City and LandCo shall execute and acknowledge the Easement Agreement and cause the same to be filed with the Los Angeles County Recorder.
- 2.7 <u>Removal Rights.</u> Upon the termination of this Agreement, all Commercial Signage shall remain the property of LandCo, and LandCo shall have the right to remove any or all such signage from the Convention Center Property at its sole cost; <u>provided</u>, <u>however</u>, that LandCo will have the obligation to repair any damage to the Convention Center occasioned by the removal of such signage at its sole cost.

- 3. <u>Signage Inventory</u>. The Commercial Signage inventory shall be divided into two categories: (i) signage and display inventory to be sold by LandCo to sponsors that do not conflict with exclusivity granted to LandCo District Sponsors (the "Revenue Share Inventory"), and (ii) signage and display inventory to be sold by LandCo to LandCo District Sponsors (the "District Sponsor Inventory").
- 3.1 <u>Revenue Share Inventory</u>: The Revenue Share Inventory shall consist of those signs listed on <u>Exhibit E-1</u>, with the revenue from such sales being subject to the revenue sharing arrangement set forth in Section 7 of this Agreement.
- 3.2 <u>District Sponsor Inventory</u>: The District Sponsor Inventory shall consist of those signs listed on <u>Exhibit E-2</u>, with the revenue from such sales subject to Section 6 of this Agreement.
- 3.3 <u>Modifications to Inventory</u>: Subject to the terms of this Agreement, LandCo shall have the right to modify the locations and sizes of the signs set forth on <u>Exhibit E-1</u> and <u>E-2</u> without the need for an amendment to this Agreement; provided that in no event shall such modifications result in an adverse change in the aggregate quantity and overall quality of the Revenue Share Inventory from that set forth on <u>Exhibit E-1</u>.
- **4.** <u>Description of Sales</u>. The Commercial Sales shall be subject to the following conditions:
- 4.1 <u>Restrictions on Signage</u>. LandCo shall not sell advertisements for and shall not otherwise permit a third party to display commercial names and logos for (i) tobacco products, (ii) alcoholic beverages (except for beer), (iii) firearms, or (iv) adult entertainment.
- 4.2 <u>Preferred Vendors</u>. Subject to any legal restriction or conflicting contractual commitments of the City, LandCo shall have the right to request that the City accept certain commercial sponsors designated by LandCo, in LandCo's sole discretion, as exclusive or preferred vendors for goods and services within the Convention Center. The City shall not unreasonably withhold its consent to such designation, provided, however, that such goods and services are on competitive terms and conditions, are of a quality reasonably acceptable to the City, and have revenue, business or service benefits to the Convention Center as determined by the General Manager of the Convention Center. The City, acting through the General Manager of the Convention Center, shall consider and negotiate such requests in good faith.
- 4.3 <u>Event Use Signage</u>. The City shall have the right to provide promotional displays to exhibitors, promoters, and participants in events at the Convention Center and LA Live.

- 4.4 Restrictions on Sales of Electronic Displays. Any promotional opportunities sold by the Parties on the Electronic Displays shall be sold to exhibitors or other bona fide participants in events held at the Convention Center, LA Live or Staples Center and shall not be sold to advertisers (i) seeking to purchase advertisements on Electronic Displays for the purpose of undermining a competitor who is a LandCo District Sponsor, or (ii) seeking to otherwise engage in so-called "ambush marketing" against any LandCo District Sponsor, as reasonably determined by LandCo.
- 4.5 Advertising Conflicts. The Parties shall cooperate in minimizing conflicts between third party advertisers and Convention Center exhibitors. Without limiting the foregoing, if one or more signs displayed by LandCo on or around the entrance to the West Hall or South Hall of the Convention Center advertise a direct competitor of a major exhibitor in a proposed Convention Center event and such conflict is reasonably likely to materially impair the City's ability to book that event as determined by the City in its sole discretion, the City shall have the right to require LandCo to cover such sign(s) for the duration of the proposed event; provided however, that in no event shall LandCo be required to remove or cover any particular advertiser's signs for an aggregate of more than ten (10) days in any calendar year.
- 4.6 <u>Interior Signage</u>. Notwithstanding the exterior Commercial Sales and Commercial Signage rights granted by the City to LandCo under this Agreement, the City shall retain the right, in its sole discretion, to sell interior signage rights to the Convention Center, subject to the following conditions:
  - (a) If the City elects to sell permanent interior signage rights to third party advertisers during the term of this Agreement, such sales (i) shall be conducted by LandCo, as the City's exclusive sales agent, (ii) shall not conflict with the exterior signage or exclusivity rights granted by LandCo to the District Sponsors, and (iii) shall be on terms mutually agreeable to the City and LandCo (which terms shall include (A) the signage opportunities to be offered to sponsors, (B) the allocation of responsibility for the costs of installing and operating such interior signage, and (C) a mutually agreeable revenue sharing or commission arrangement to fairly compensate LandCo for its sale of such interior signage);
  - (b) The requirements set forth in clause 4.6(a) above and nothing herein shall preclude the City from granting or selling event advertising and promotional displays to event exhibitors consistent with past practices provided that the City shall use commercially reasonable efforts to prevent such advertising from conflicting with the LandCo's District Sponsors;
  - (c) The requirements set forth in clause 4.6(a) above and nothing herein shall preclude the City from obtaining, directly or through the Los Angeles Convention and Visitors Bureau ("LA Inc."), commercial sponsorship of up to two (2) visitor/information booths inside the Convention Center, provided that the City shall not allow any advertising on such booths which would directly conflict with LandCo's District Sponsors; and

- (d) LandCo may, from time to time, request incidental benefits in the interior of the Convention Center where the inclusion of such benefits would facilitate the sale of an exterior signage package to a significant advertiser. The City, acting through the General Manager of the Convention Center, shall consider and negotiate such requests in good faith.
- A.7 Name Changes to Convention Center. Notwithstanding the Commercial Sales and Commercial Signage rights granted by the City to LandCo under this Agreement, the City shall retain the right, in its sole discretion, to sell the naming rights to the Convention Center as contemplated in the REA, provided, however, that if the City elects to do so during the Term of this Agreement, the sale of such naming rights (a) shall be conducted by LandCo, as the City's exclusive sales agent, (b) shall not conflict with the signage or exclusivity rights granted by LandCo to the District Sponsors, and (c) shall be on terms mutually agreeable to the City and LandCo. Such terms shall include (i) the signage and other benefits to be granted to the naming sponsor, (ii) allocation of responsibility for the costs of providing such benefits (including the cost of installing any additional signage), and (iii) a mutually agreeable revenue sharing or commission arrangement to fairly compensate LandCo for its sale of such naming rights.
- 5. <u>Signage Costs.</u> Subject to LandCo's right to recoup a portion of its costs pursuant to the revenue share arrangement set forth in Section 7, LandCo shall be responsible, at its sole cost, for designing, procuring, constructing, installing, repairing, upgrading, operating and maintaining the Commercial Signage including costs for structural modifications to Convention Center facilities, if any, necessitated by such signage (which structural modifications shall be subject to review and approval by the City). The utility expenses to service the Commercial Signage will be separately metered.
- 6. Fixed Fee. Regardless of actual revenues received by LandCo, LandCo shall pay the City, through the Convention Center, a fixed guaranteed fee of Two Million Dollars (\$2,000,000.00) per year ("Fixed Fee") on account of the commercial advertising rights provided herein to LandCo's District Sponsors. The Fixed Fee will escalate by three percent (3%) every year compounded. The Fixed Fee shall be paid in quarterly installments with initial payments on September 30, 2008 and December 31, 2008, and subsequent payments on March 31st, June 30th, September 30th and December 31st of each year thereafter for a total of forty (40) quarterly installments. If such quarterly installments begin prior to the time LandCo receives its entitlements for the Commercial Signage as contemplated in Section 10.4 of this Agreement, such quarterly installments shall constitute payments relating to the Operating Period (as hereinafter defined), so that such quarterly installments may be fully paid prior to the end of the initial Operating Period. However, in the event that LandCo is unable to obtain entitlements for the Commercial Signage as contemplated in Section 10.4 of this Agreement, any Fixed Fee actually paid by LandCo will be refunded by the City and this Agreement terminated.
- 7. <u>Revenue Sharing.</u> Revenue generated by LandCo from the sale of the Revenue Share Inventory (net of any commissions paid to independent third parties) shall be shared between LandCo and the City as follows:
  - (a) First, to reimburse LandCo for all annual direct operating and maintenance costs relating to the Revenue Share Inventory;

- (b) Second, to LandCo to recoup the amortized capital cost of the Commercial Signage attributable to the Revenue Share Inventory, which amortized capital cost shall equal the total capital costs, less the portion allocable to the LandCo Sponsor Inventory, amortized on a straight-line basis over ten (10) years;
- (c) Third, the next Five Million Dollars (\$5,000,000.00) to be shared seventy-five percent (75%) to LandCo and twenty-five percent (25%) to the City (with such \$5,000,000.00 threshold escalating at a rate equal to three percent (3%) per year);
- (d) Fourth, the next Five Million Dollars (\$5,000,000.00) to be shared equally by LandCo and the City (with no escalation of such threshold);
- (e) Thereafter, seventy-five percent (75%) of such revenues to the City and twenty-five percent (25%) to LandCo.

Each Party shall retain all revenue from its Event Use of the Electronic Displays, including without limitation the sale of promotional opportunities on such displays by each Party to its own exhibitors and event participants.

LandCo shall make revenue sharing payments to the City, through the Convention Center, on a quarterly basis, which payments shall be accompanied by a reasonably detailed accounting of (i) the gross revenues collected during the prior quarter on account of Commercial Sales of the Revenue Share Inventory, and (ii) any amounts deducted from such gross revenues pursuant to clauses (a) and (b) of this Section 7. From time to time during the term, but not more frequently than once per year, the City shall have the right to review, subject to reasonable advance notice, the books and records concerning the revenues and expenses relating or attributable to the Revenue Sharing Inventory. Such review shall be limited solely to that information necessary to confirm the accuracy of the revenue share amounts paid by LandCo to the City and in no event shall the City have the right to review any financial or other information relating to the sales of the District Sponsor Inventory or any other advertising or sponsorship sales conducted by LandCo or its affiliates at LA Live or STAPLES Center. It shall be LandCo's sole responsibility to document, retain and provide information necessary to confirm the accuracy of the revenue share amounts. Unless documented by LandCo otherwise, Commercial Sales revenue generated from this Agreement shall by default be deemed to be attributable to the Revenue Share Inventory and subject to payment by LandCo pursuant to this Section 7.

#### 8. Term.

8.1 <u>Original Term.</u> Unless extended by LandCo pursuant to Section 8.2 of this Agreement, the term (the "<u>Term</u>") of this Agreement shall commence on the execution date of this Agreement by the Parties and shall continue until the tenth (10<sup>th</sup>) anniversary date from the date on which LandCo receives approval for entitlements to the Commercial Signage as contemplated in Section 10.4 of this Agreement ("<u>Entitlement Date</u>"). The Parties shall confirm such Entitlement Date in writing, which may be via electronic mail. The ten-year period between the Entitlement Date and the end of the initial Term shall be the "Operating Period."

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- 8.2 Option to Extend. LandCo shall have the option to extend the Term for two (2) ten-year periods by delivery to the City of a written notice of exercise (the "Option Notice") not later than thirty (30) days prior to the expiration of the Term. Delivery of such Option Notice shall extend the Term under this Agreement and shall automatically extend the term of the easements and signage rights granted under Article IV of the REA. By providing notice no later than thirty (30) days following receipt of the Option Notice, the City shall have the option on each extension to elect either (a) to continue this Agreement and LandCo shall pay an additional forty (40) quarterly installments during each ten-year extension period, or (b) to adjust the terms of this Agreement as follows:
  - 1. The District Sponsor Inventory would be reduced to twenty-five percent (25%) of two (2) of the four (4) LED boards on the South Hall Wall.
  - 2. The remaining balance of the Commercial Signage (whether provided to LandCo District Sponsors or other advertisers), after taking into account Event Use and payment by LandCo to the City of the market value of the particular signage, would be subject to the revenue share arrangement set forth in Section 7 of this Agreement.
  - 3. The Fixed Fee set forth in Section 6 of this Agreement would be eliminated.

#### 9. Covenants.

- 9.1 <u>Private Use Restrictions</u>. The Parties acknowledge that the Convention Center has been financed through the issuance of tax-exempt bonds (the "<u>Bonds</u>") and that in order to maintain its tax-exempt status, the Convention Center is required to be operated in accordance with "private use" restrictions and/or thresholds (the "<u>Private Use Restrictions</u>") applicable to the Bonds and established pursuant to the United States Internal Revenue Code. Notwithstanding anything contrary contained in this Agreement, so long as the Convention Center is operated on a tax-exempt basis, the Parties shall comply with such Private Use Restrictions in performing pursuant to the provisions of this Agreement.
- 9.2 Los Angeles Convention and Exhibition Center Authority ("Authority"). The City represents and warrants to LandCo that as of the execution date of this Agreement, the City's execution and performance under this Agreement does not violate the Private Use Restrictions or materially impair the ownership interest of the Authority under the Facility Lease related to the Bonds. In performing all of its rights and obligations under this Agreement, LandCo shall not materially impair the ownership interests of the Authority under the Facility Lease related to the Bonds.

#### 10. Miscellaneous.

by (a) personal delivery, (b) reputable overnight delivery service with proof of delivery, or (c) United States Mail, postage prepaid, registered or certified mail, return receipt requested, sent to the intended addressee at the address set forth below, or to such other address or to the attention of such other person as the addressee shall have designated by written notice sent in accordance herewith. Any notice so given shall be deemed to have been given upon receipt or refusal to accept delivery. Unless changed in accordance with the preceding sentence, the addresses for notices given pursuant to this Agreement shall be as follows:

If to Developer: LA Arena Land Company, LLC

1111 South Figueroa Street, Suite 3100

Los Angeles, CA 90015 Attention: Ted Fikre

with a copy to:

Latham & Watkins LLP

633 West Fifth Street, Suite 4000 Los Angeles, California 90071 Attention: William F. Delvac, Esq. If to City:

City of Los Angeles

Office of the Chief Legislative Analyst 200 North Spring Street, Suite 255

Los Angeles, CA 90012

Attention: Chief Legislative Analyst

City of Los Angeles

Office of the City Administrative Officer

200 North Main Street Los Angeles, CA 90012

Attention: City Administrative Officer

Los Angeles Convention Center 1201 South Figueroa Street Los Angeles, CA 90015

Attention: Convention Center General Manager

With copies to:

City of Los Angeles

Office of the City Attorney 200 North Main Street Los Angeles, CA 90012 Attention: Asst. City Attorney

Real Estate and Economic Development

City of Los Angeles Office of the Mayor 200 North Main Street Los Angeles, CA 90012

Attention: Deputy Mayor for Economic Development

- 10.2 <u>Effect of Agreement</u>. This Agreement is being entered with, and is subject to the terms and conditions of, the Easement Agreement and the REA. In the event the terms of this Agreement conflict with the terms of the REA, so long as this Agreement remains in full force and effect, the terms of this Agreement shall supersede the terms of the REA and shall govern the rights and obligations of the Parties.
- 10.3 <u>Access</u>. LandCo shall have reasonable rights of access to the Commercial Signage at the Convention Center as provided in the REA.
- 10.4 Approval of Signage. The Parties shall cooperate with each other in all aspects of obtaining the permits, entitlements, and approvals necessary for the Commercial Signage. LandCo shall abide by reasonable limitations on operating hours to ensure that illuminated and Electronic Displays do not impose any undue burden on residents in surrounding areas. Notwithstanding anything to the contrary in this Agreement, the City shall retain any and all of its governmental authority for the approval or disapproval of any permits, entitlements or other approvals necessary for the Commercial Signage.

- 10.5 <u>Assignment.</u> Neither Party may assign its rights hereunder without the consent of the other, except that any of the following assignments by LandCo shall be permitted without the consent of the City: (a) LandCo shall have the right to assign some or all of its rights hereunder to a third party in the event LandCo elects to contract with a third party sales agent to assist in advertising sales, (b) LandCo may assign some or all of its rights hereunder to an Affiliate, (c) LandCo may assign some or all of its rights hereunder to a purchaser of all or substantially all of the assets of either STAPLES Center or LA Live, and (d) LandCo may collaterally assign its rights hereunder to a lender in connection with a financing. Notwithstanding the foregoing assignment provisions (a) through (d), LandCo shall remain jointly and severally liable for its obligations under this Agreement, and shall indemnify the City from any loss or liability resulting from LandCo's assignment.
- 10.6 <u>Non-Liability of Officials, Employees and Agents</u>. No member, official, employee or agent of the City shall be personally liable to LandCo, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to LandCo or on any obligation under the terms of this Agreement.
- 10.7 <u>Parties Not Co-Venturers</u>. Nothing in this Agreement is intended to or does establish the Parties as partners, co-venturers, or principal and agent with one another.
- 10.8 <u>Indemnity: City.</u> Except for the gross negligence, fraud, intentional or willful misconduct of the City, LandCo undertakes and agrees to indemnify, hold harmless and defend (by counsel reasonably satisfactory to the City) the City, its council members, officers, employees, agents, from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, reasonable attorney's fees and costs of litigation, damage or liability of any nature whatsoever, as a result of or arising out of, or in any way connected with, any entry onto the Convention Center Property by LandCo. LandCo's indemnification obligation under this Section 10.9 shall include but is not be limited to any litigation related to any challenges made to the City's actions regarding any approvals or land use entitlements arising from of this Agreement or for any environmental review conducted and any City actions related thereto under the California Environmental Quality Act.
- 10.9 <u>Attorney Fees</u>. Subject to Section 10.9 above, in the event of litigation or other legal process between the Parties to enforce this Agreement, each Party shall bear its own attorney's fees and costs.
- 10.10 <u>Modifications</u>. This Agreement cannot be changed orally, and no executory agreement shall be effective to waive, change, modify or discharge it in whole or in part unless such executory agreement is in writing and is signed by the Party against whom enforcement of any waiver, change, modification or discharge is sought.
- 10.11 Entire Agreement. Except for the REA and Easement Agreement, this Agreement, including the exhibits hereto, contains the entire agreement between the Parties hereto pertaining to the subject matter hereof and fully supersedes all prior written or oral agreements and understandings between the Parties pertaining to such subject matter.

- 10.12 <u>Counterparts</u>. This Agreement may be executed in counterparts, all such executed counterparts shall constitute the same agreement, and the signature of any Party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.
- 10.13 <u>Severability</u>. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall nonetheless remain in full force and effect; provided that the invalidity or unenforceability of such provision does not materially adversely affect the benefits accruing to any Party hereunder.
- 10.14 <u>Applicable Law</u>. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

[signature page to follow]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

Dated:	CITY:
APPROVED AS TO FORM:  ROCKARD J. DELGADILLO, CITY ATTORNEY  By:  Marilyn Garcia, Asst. City Attorney	CITY OF LOS ANGELES, a municipal corporation  By:  Its:
	ATTEST: CITY CLERK
	By: Date:
Dated:	LandCo:  L.A. ARENA LAND COMPANY, LLC, a Delaware limited liability company  By:
	Its:

### Exhibit A

Convention Center Legal Description

#### LEGAL DESCRIPTION OF CONVENTION CENTER PROPERTY

The land referred to herein is situated in the County of Los Angeles, State of California, and is described as follows:

#### PARCEL 1: WEST HALL

THOSE PORTIONS OF LOT 1 AND TRENTON STREET SOUTH 116 FEET WIDE, BETWEEN FIGUEROA STREET 112 FEET WIDE AND PICO BOULEVARD, 102 FEET WIDE AS SHOWN AND DEDICATED ON THE MAP OF TRACT NO. 28165, NOW VACATED BY (COUNCIL FILE NO. 82-1136 OF THE CITY OF LOS ANGELES) RESOLUTION NO. 83-01558 OF THE CITY OF LOS ANGELES. ON FILE IN THE OFFICE OF THE CITY CLERK OF SAID CITY, AND RECORDED JUNE 5, 1990 AS INSTRUMENT NO. 90-1003283, AS SAID VACATION IS SHOWN IN VOLUME 23 PAGE 89 OF STREET VACATION MAPS ON FILE IN THE OFFICE OF CITY CLERKS OF SAID CITY, AS SHOWN ON TRACT NO. 28165, IN THE CITY OF LOS ANGELES, AS PER MAP RECORDED IN BOOK 814 PAGES 66 TO 69 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY, DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTHEASTERLY LINE OF LOT 1, DISTANT THEREON SOUTH 61 DEGREES 51 MINUTES 21 SECONDS EAST 652.41 FEET FROM THE NORTHWESTERLY TERMINUS OF SAID LINE SHOWN AS SOUTH 61 DEGREES 51 MINUTES 43 SECONDS EAST 666.02 FEET ON SAID TRACT NO. 28165 THEREOF; THENCE SOUTH 28 DEGREES 08 MINUTES 39 SECONDS WEST 44.47 FEET TO THE BEGINNING OF A CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 105.00 FEET; THENCE SOUTHWESTERLY 138.02 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 75 DEGREES 18 MINUTES 41 SECONDS; THENCE NORTH 76 DEGREES 32 MINUTES 40 SECONDS WEST 33.23 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 43.00 FEET; THENCE WESTERLY 29.66 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 39 DEGREES 31 MINUTES 13 SECONDS, THENCE ON A NON-TANGENT LINE SOUTH 61 DEGREES 32 MINUTES 47 SECONDS EAST 162.17 FEET; THENCE NORTH 28 DEGREES 27 MINUTES 13 SECONDS EAST 31.50 FEET; THENCE SOUTH 61 DEGREES 32 MINUTES 47 SECONDS EAST 34.73 FEET; THENCE SOUTH 28 DEGREES 27 MINUTES 13 SECONDS WEST

31.50 FEET; THENCE SOUTH 61 DEGREES 32 MINUTES 47 SECONDS EAST 32.62 FEET; THENCE SOUTH 28 DEGREES 25 MINUTES 47 SECONDS WEST 269.35 FEET; THENCE SOUTH 61 DEGREES 48 MINUTES 26 SECONDS EAST 63.37 FEET; THENCE NORTH 73 DEGREES 31 MINUTES 42 SECONDS EAST 60.45 FEET, TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 161.60 FEET AND TO WHICH BEGINNING A RADIAL LINE BEARS NORTH 72 DEGREES 37 MINUTES 32 SECONDS EAST; THENCE SOUTHWESTERLY AN ARC DISTANCE OF 100.58 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 35 DEGREES 39 MINUTES 46 SECONDS; THENCE ON A NON-TANGENT LINE SOUTH 61 DEGREES 37 MINUTES 19 SECONDS EAST 79.10 FEET; THENCE SOUTH 28 DEGREES 28 MINUTES 13 SECONDS WEST 538.68 FEET TO THE SOUTHEASTERLY PROLONGATION OF THE SOUTHWESTERLY LINE OF SAID LOT 1; THENCE ALONG SAID SOUTHEASTERLY PROLONGATION OF THE SOUTHWESTERLY LINE. OF LOT 1 AND THE SOUTHWESTERLY, WESTERLY, NORTHWESTERLY, NORTHERLY AND NORTHEASTERLY LINES OF SAID LOT 1 THE FOLLOWING SIX COURSES:

- 1. NORTH 61 DEGREES 33 MINUTES 07 SECONDS WEST 976.10 FEET TO THE BEGINNING OF A CURVE CONCAVE EASTERLY, HAVING A RADIUS OF 20.00 FEET;
- 2. NORTHWESTERLY AND NORTHERLY 30.67 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 87 DEGREES 50 MINUTES 59 SECONDS;
- 3. NORTH 26 DEGREES 17 MINUTES 52 SECONDS EAST 53.91;
- 4. NORTH 28 DEGREES 20 MINUTES 34 SECONDS EAST 927.38 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHERLY, HAVING A RADIUS OF 20.00 FEET;
- 5. NORTHEASTERLY, EASTERLY AND SOUTHEASTERLY 31.35 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 89 DEGREES 48 MINUTES 05 SECONDS.
- 6. SOUTH 61 DEGREES 51 MINUTES 21 SECONDS EAST 652.41 TO THE POINT OF BEGINNING.

EXCEPT THEREFROM, ALL OIL, CRUDE OIL, GAS, PETROLEUM, ASPHALTUM, HYDROCARBONS, CARBONS, MINERALS, AND MINERAL SUBSTANCES, GOLD, SILVER AND OTHER PRECIOUS METALS, AND OTHER KINDRED SUBSTANCES AND MINERALS OF WHATEVER NATURE, IN, UNDER AND RECOVERABLE FROM THE HEREINBEFORE DESCRIBED LAND, TOGETHER WITH THE RIGHT TO DRILL FOR AND PRODUCE SUCH, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES BY DIRECTIONAL DRILLING CONDUCTED FROM SURFACE LOCATIONS ON LAND OTHER THAN THE LANDS HEREINABOVE MENTIONED.

SUCH EXCEPTION AND RESERVATION SHALL NOT OPERATE TO CREATE ANY RIGHT TO CONDUCT DRILLING OPERATIONS FROM ANY PORTION OF THE SURFACE OF SAID ABOVE DESCRIBED LAND. ALL DIRECTIONAL DRILLING SHALL BE CONDUCTED IN SUCH A MANNER THAT THE WELL, HOLE SHAFT OR OTHER MEANS OF REACHING OR REMOVING SUCH OIL, GAS OR OTHER HYDROCARBON SUBSTANCES DOES NOT PENETRATE ANY PART OR PORTION OF SAID REAL PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS EXCEPTED AND RESERVED IN VARIOUS INSTRUMENTS OF RECORD, THREE OF WHICH RECORDED:

JANUARY 10, 1958 AS INSTRUMENT NO. 2914, IN BOOK 56379, PAGE 119; OCTOBER 23, 1968 AS INSTRUMENT NO. 2933, IN BOOK D4172 PAGE 989 AND JANUARY 23, 1970 AS INSTRUMENT NO. 2758 IN BOOK D4615 PAGE 229, ALL OF OFFICIAL RECORDS.

#### PARCEL 2: NORTH HALL ADJACENT:

THAT PORTION OF LOT 1 AND LOT 4 AND TRENTON STREET SOUTH 116
FEET WIDE AND 90 FEET WIDE, BETWEEN FIGUEROA STREET AND PICO
BOULEVARD AS SHOWN AND DEDICATED ON THE MAP OF TRACT NO. 28165,
NOW VACATED BY (COUNCIL FILE NO. 82-1136 OF THE CITY OF LOS
ANGELES) RESOLUTION NO. 83-01558 OF THE CITY OF LOS ANGELES, ON
FILE IN THE OFFICE OF THE CITY CLERK OF SAID CITY, AND RECORDED
JUNE 5, 1990 AS INSTRUMENT NO. 90-1003283, AS SAID VACATION IS
SHOWN ON VOLUME 23 PAGE 89 OF STREET VACATION MAPS ON FILE IN
THE OFFICE OF THE CITY CLERK OF SAID CITY AS SHOWN ON TRACT NO.
28165, IN THE CITY OF LOS ANGELES, AS PER MAP RECORDED IN BOOK
814 PAGES 66 TO 69 INCLUSIVE OF MAPS, IN THE OFFICE OF THE
COUNTY RECORDER OF LOS ANGELES COUNTY, DESCRIBED AS A WHOLE AS
FOLLOWS:

BEGINNING AT A POINT ON THE NORTHEASTERLY LINE OF LOT 1, DISTANT THEREON SOUTH 61 DEGREES 51 MINUTES 21 SECONDS EAST 652.41 FEET FROM THE NORTHWESTERLY TERMINUS OF SAID LINE SHOWN AS SOUTH 61 DEGREES 51 MINUTES 43 SECONDS EAST 666.02 FEET ON SAID TRACT NO. 28165 THEREOF; THENCE SOUTH 28 DEGREES 08 MINUTES 39 SECONDS WEST 44.47 FEET TO THE BEGINNING OF A CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 105.00 FEET; THENCE SOUTHWESTERLY 138.02 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 75 DEGREES 18 MINUTES 41 SECONDS; THENCE NORTH 76 DEGREES 32 MINUTES 40 SECONDS WEST 33.23 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 43.00 FEET; THENCE WESTERLY 29.66 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 39 DEGREES 31 MINUTES 13 SECONDS, THENCE ON A NON-TANGENT LINE SOUTH 61 DEGREES 32 MINUTES 47 SECONDS EAST 162.17 FEET; THENCE NORTH 28 DEGREES 27 MINUTES 13 SECONDS EAST 31.50 FEET; THENCE SOUTH 61 DEGREES 32 MINUTES 47 SECONDS EAST

34.73 FEET; THENCE SOUTH 28 DEGREES 27 MINUTES 13 SECONDS WEST 31.50 FEET; THENCE SOUTH 61 DEGREES 32 MINUTES 47 SECONDS EAST 32.62 FEET; THENCE SOUTH 28 DEGREES 25 MINUTES 47 SECONDS WEST 269.35 FEET; THENCE SOUTH 61 DEGREES 48 MINUTES 26 SECONDS EAST 63.37 FEET; THENCE NORTH 73 DEGREES 31 MINUTES 42 SECONDS EAST 60.45 FEET, TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 161.60 FEET AND TO WHICH BEGINNING A RADIAL LINE BEARS NORTH 72 DEGREES 37 MINUTES 32 SECONDS EAST; THENCE SOUTHERLY 100.58 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 35 DEGREES 39 MINUTES 46 SECONDS; THENCE ON A NON-TANGENT LINE SOUTH 61 DEGREES 37 MINUTES 19 SECONDS EAST 79.10 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING SOUTH 61 DEGREES 37 MINUTES 19 SECONDS EAST 298.54 FEET TO THE NORTHWESTERLY RIGHT-OF-WAY LINE OF FIGUEROA STREET, 112 FEET WIDE, AS SHOWN ON SAID MAP; THENCE SOUTH 37 DEGREES 41 MINUTES 47 SECONDS WEST 125.97 FEET ALONG SAID NORTHWESTERLY RIGHT-OF-WAY LINE OF FIGUEROA STREET TO THE SOUTHWESTERLY TERMINUS OF THAT CERTAIN COURSE IN THE MOST SOUTHEASTERLY LINE OF SAID LOT 1, SHOWN AS SOUTH 37 DEGREES 41 MINUTES 37 SECONDS WEST 187.38 FEET; THENCE ON A DIRECT LINE SOUTH 32 DEGREES 59 MINUTES 37 SECONDS WEST 121.98 FEET TO THE NORTHEASTERLY TERMINUS OF THAT CERTAIN COURSE IN THE MOST SOUTHEASTERLY LINE OF SAID LOT 4, SHOWN AS SOUTH 37 DEGREES 41 MINUTES 37 SECONDS WEST 281.98 FEET ON SAID TRACT NO. 28165; THENCE SOUTH 37 DEGREES 41 MINUTES 47 SECONDS WEST 281.98 FEET, ALONG THE NORTHWESTERLY RIGHT-OF-WAY LINE OF FIGUEROA STREET, 102 FEET WIDE TO THE MOST EASTERLY SOUTHERLY CORNER OF SAID LOT 4, AS SHOWN ON SAID MAP; THENCE SOUTH 78 DEGREES 04 MINUTES 20 SECONDS WEST 22.86 FEET TO THE NORTHEASTERLY RIGHT-OF-WAY LINE OF PICO BOULEVARD, 102 FEET WIDE, AS SHOWN ON SAID MAP, THENCE NORTH 61 DEGREES 33 MINUTES 07 SECONDS WEST 206.11 FEET ALONG SAID NORTHEASTERLY RIGHT-OF-WAY LINE OF PICO BOULEVARD TO A LINE WHICH BEARS NORTH 28 DEGREES 28 MINUTES 13 SECONDS EAST AND PASSES THROUGH THE TRUE POINT OF BEGINNING; THENCE LEAVING SAID RIGHT-OF-WAY NORTH 28 DEGREES 28 MINUTES 13 SECONDS EAST 538.68 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPT THEREFROM, ALL OIL, CRUDE OIL, GAS, PETROLEUM, ASPHALTUM, HYDROCARBONS, CARBONS, MINERALS, AND MINERAL SUBSTANCES, GOLD, SILVER AND OTHER PRECIOUS METALS, AND OTHER KINDRED SUBSTANCES AND MINERALS OF WHATEVER NATURE, IN, UNDER AND RECOVERABLE FROM THE HEREINBEFORE DESCRIBED LAND, TOGETHER WITH THE RIGHT TO DRILL FOR AND PRODUCE SUCH, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES BY DIRECTIONAL DRILLING CONDUCTED FROM SURFACE LOCATIONS ON LAND OTHER THAN THE LANDS HEREINABOVE MENTIONED. SUCH EXCEPTION AND RESERVATION SHALL NOT OPERATE TO CREATE ANY RIGHT TO CONDUCT DRILLING OPERATIONS FROM ANY PORTION OF THE

SURFACE OF SAID ABOVE DESCRIBED LAND. ALL DIRECTIONAL DRILLING SHALL BE CONDUCTED IN SUCH A MANNER THAT THE WELL, HOLE SHAFT OR OTHER MEANS OF REACHING OR REMOVING SUCH OIL, GAS OR OTHER HYDROCARBON SUBSTANCES DOES NOT PENETRATE ANY PART OR PORTION OF SAID REAL PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS EXCEPTED AND RESERVED IN VARIOUS INSTRUMENTS OF RECORD, THREE OF WHICH RECORDED:

JANUARY 10, 1958 AS INSTRUMENT NO. 2914, IN BOOK 56379, PAGE 119; OCTOBER 23, 1968 AS INSTRUMENT NO. 2933, IN BOOK D4172 PAGE 989 AND JANUARY 23, 1970 AS INSTRUMENT NO. 2758 IN BOOK D4615 PAGE 229, ALL OF OFFICIAL RECORDS.

THIS LEGAL DESCRIPTION IS NOT INTENDED TO BE USED IN THE CONVEYANCE OF LAND IN VIOLATION OF THE SUBDIVISION MAP ACT OF THE STATE OF CALIFORNIA.

PARCEL 3 : SOUTH HALL

PARCEL 1 OF OFFICIAL MAP NO. 2, IN THE CITY OF LOS ANGELES, RECORDED ON JUNE 14, 1989 AS INSTRUMENT NO. 89-958587, IN BOOK 5 PAGES 38 TO 40 INCLUSIVE OF OFFICIAL MAPS.

## Exhibit B

LA Live Legal Description

described as follows:

## 1

#### LEGAL DESCRIPTION

OLYMPIC NORTH

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Those portions of Lots 8, 9, 10, 11, and 12 of the Resubdivision of the Francisco Tract, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 54, Page 64 of Miscellaneous Records, Records of said County, and those portions of Lots 16, 17, 18, and 19 of F. J. Nettleton's Subdivision of the Ellis Tract, in said City, as per map recorded in Book 10, Page 13 of said Miscellaneous Records.

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Beginning at the most northerly corner of said Lot 8; thence South 61 degrees 37 minutes 22 seconds East 146.40 feet to a line parallel with and 35.00 feet northwesterly of the centerline of Francisco Street, 60 feet wide, as shown on said Francisco Tract; thence South 28 degrees 21 minutes 47 seconds West 236.92 feet to the beginning of a nontangent curve, concave to the northeast, having a radius of 1,322.94 feet, and to which beginning a radial line bears South 21 degrees 56 minutes 19 seconds West, said curve being concentric with and 2.00 feet northeasterly of the curved southwesterly line of said Lot 12; thence northwesterly 146.72 feet along said concentric curve through a central angle of 06 degrees 21 minutes 16 seconds to a point of tangency with a line parallel with and 2.00 feet northeasterly of the southwesterly line of said Lot 16; thence North 61 degrees 42 minutes 25 seconds West 125.25 feet along said parallel line to the beginning of a curve, concave to the east, having a radius of 20.00 feet, and being tangent at its northeasterly terminus with a line parallel with and 35.00 feet southeasterly of the centerline of Georgia Street, 60 feet wide, as shown on said F. J. Nettleton's Subdivision of the Ellis Tract; thence northerly 31.43 feet along said curve through a central angle of 90 degrees 02 minutes 18 seconds to said parallel line; thence North 28 degrees 19 minutes 53 seconds East 179.02 feet along said parallel line to the northeasterly line of said Lot 19; thence South 61 degrees 37 minutes 22 seconds East 145.38 feet to the most

#### PSOMAS

I easterly corner of said Lot 19; thence North 28 degrees 21 minutes 47 seconds East 46.44 2 feet to the most northerly corner of said Lot 8 and the point of beginning. 3 4 Excepting therefrom that portion of said Lot 10 all minerals, ores, precious ores or useful 5 metals, substances and hydrocarbons of every kind and characters, including in part, 6 petroleum, oil, gas, asphaltum and tar, in or under said land lying below a depth of 500 feet from the surface, but without the right to enter upon the surface of said land, as per 7 deed recorded August 14, 1978 as Instrument No. 78-893726. 8 9 Containing 64,318 square feet 10 11 12 This legal description are delineated on accompanying "EXHIBIT MAP OLYMPIC 13 NORTH" and is made a part hereof for reference purposes. 14 15 This legal description is not intended to be used in the conveyance of land in violation of 16 the Subdivision Map Act of the State of California. 17 18 19 20 21 Prepared under the direction of 22 23 24 Robert C. Olsa No. 5490 25 Exp. 9-30-2004 Robert C. Olson, PLS 5490

Sheet 2 of 2

**PSOMAS** 

26

27 28 29

### LA Live Legal Description

Lots 1 through 17 of Tract No. 53383-A, in the City of Los Angeles, County of Los of Angeles, State of California, as per map recorded in Book 1332 Pages 24 through 57, inclusive of Maps, in the Office of the County Recorder of said county.

# LEGAL DESCRIPTION OF DEVELOPER-OWNED PROPERTY

THAT CERTAIN LAND SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

LOT 44 IN BLOCK 1 OF THE BENNETT TRACT, IN THE CITY OF LOS ANGELES, AS PER MAP RECORDED IN BOOK 5 PAGE 515, OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 5138-011-027

## LEGAL DESCRIPTION OF ARENA SITE

The land referred to herein is situated in the County of Los Angeles, State of California, and is described as follows:

#### PARCEL 1: NORTH HALL

THOSE PORTIONS OF LOTS 1, 2 AND 3 AND TRENTON STREET NORTH, 82 FEET AND 97 FEET WIDE, NOW VACATED BY (COUNCIL FILE NO. 82-1136 OF THE CITY OF LOS ANGELES) RESOLUTION NO. 90-01558 OF THE CITY OF LOS ANGELES, ON FILE IN THE OFFICE OF THE CITY CLERK OF SAID CITY, AND RECORDED AUGUST 16, 1990 AS INSTRUMENT NO. 90-1426183, OFFICIAL RECORDS, AS SHOWN ON TRACT NO. 28165, IN THE CITY OF LOS ANGELES, AS PER MAP RECORDED IN BOOK 814 PAGES 66 TO 69 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY, DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTHEASTERLY LINE OF LOT 1, DISTANT THEREON SOUTH 61 DEGREES 51 MINUTES 21 SECONDS EAST 652.41 FEET FROM THE NORTHWESTERLY TERMINUS OF SAID LINE SHOWN AS SOUTH 61 DEGREES 51 MINUTES 43 SECONDS EAST 666.02 FEET ON SAID TRACT NO. 28165 THEREOF; THENCE SOUTH 28 DEGREES 08 . . MINUTES 39 SECONDS WEST 44.47 FEET TO THE BEGINNING OF A CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 105.00 FEET; THENCE SOUTHWESTERLY, WESTERLY AND NORTHWESTERLY 138.02 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 75 DEGREES 18 MINUTES 41 SECONDS; THENCE NORTH 76 DEGREES 32 MINUTES 40 SECONDS WEST 33.23 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 43.00 FEET; THENCE WESTERLY 29.66 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 39 DEGREES 31 MINUTES 13 SECONDS; THENCE ON A NON-TANGENT LINE SOUTH 61 DEGREES 32 MINUTES 47 SECONDS EAST 162.17 FEET; THENCE NORTH 28 DEGREES 27 MINUTES 13 SECONDS EAST 31.50 FEET; THENCE SOUTH 61 DEGREES 32 MINUTES 47 SECONDS EAST 34.73 FEET; THENCE SOUTH 28 DEGREES 27 MINUTES 13 SECONDS WEST 31.50 FEET; THENCE SOUTH 61 DEGREES 32 MINUTES 47 SECONDS EAST 32.62 FEET; THENCE SOUTH 28 DEGREES 25 MINUTES 47 SECONDS WEST 269.35 FEET; THENCE SOUTH 61 DEGREES 48 MINUTES 26 SECONDS EAST 63.37 FEET; THENCE NORTH 73 DEGREES 31 MINUTES 42 SECONDS EAST 60.45 FEET, TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 161.60 FEET AND TO WHICH BEGINNING A RADIAL LINE BEARS NORTH 72 DEGREES 37 MINUTES 32 SECONDS EAST; THENCE SOUTHWESTERLY 100.58 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 35 DEGREES 39 MINUTES 46 SECONDS; THENCE ON A NON-TANGENT LINE; SOUTH 61 DEGREES 37 MINUTES 19 SECONDS EAST 377.64 FEET TO THE ORTHWESTERLY RIGHT OF WAY LINE OF FIGUEROA STREET, 112 FEET WIDE, AS SHOWN ON SAID MAP, THENCE NORTH 37 DEGREES 41 MINUTES

47 SECONDS EAST 61.43 FEET ALONG SAID NORTHWESTERLY RIGHT-OF-WAY LINE OF FIGUEROA STREET, 112 FEET WIDE, TO THE NORTHEASTERLY TERMINUS OF THAT CERTAIN COURSE IN THE MOST SOUTHEASTERLY LINE OF SAID LOT 1 SHOWN AS SOUTH 37 DEGREES 41 MINUTES 37 SECONDS WEST 187.38 FEET; THENCE ON A DIRECT LINE NORTH 42 DEGREES 20 MINUTES 09 SECONDS EAST 123.63 FEET TO THE EASTERLY TERMINUS OF THAT CERTAIN COURSE IN THE MOST SOUTHEASTERLY LINE OF SAID LOT 3, SHOWN AS SOUTH 78 DEGREES 04 MINUTES 11 SECONDS WEST 22.85 FEET; THENCE NORTH 37 DEGREES 41 MINUTES 47 SECONDS EAST 545.94 FEET ALONG THE NORTHWESTERLY RIGHT-OF-WAY LINE OF FIGUEROA STREET, 102 FEET WIDE, AS SHOWN ON SAID MAP TO THE MOST EASTERLY CORNER OF LOT 2; THENCE NORTH 15 DEGREES 32 MINUTES 53 SECONDS WEST 17.90 FEET ALONG THE EASTERLY LINE OF SAID LOT 2 TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF SAID ELEVENTH STREET, 102 FEET WIDE, AS SHOWN ON SAID MAP, SAID RIGHT-OF-WAY LINE BEING A NON-TANGENT CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 549.00 FEET TO WHICH BEGINNING A RADIAL LINE BEARS NORTH 20 DEGREES 09 MINUTES 57 SECONDS EAST; THENCE WESTERLY 159.32 FEET ALONG SAID CURVED RIGHT-OF-WAY THROUGH A CENTRAL ANGLE OF 16 DEGREES 37 MINUTES 40 SECONDS; THENCE NORTH 86 DEGREES 27 MINUTES 43 SECONDS WEST 235.98 FEET ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE OF ELEVENTH STREET, TO THE NORTHEASTERLY TERMINUS OF THAT CERTAIN COURSE IN THE NORTHERLY LINE OF SAID LOT 2, SHOWN AS NORTH 50 DEGREES 01 MINUTES 32 SECONDS EAST 21.76 FEET ON SAID MAP; THENCE NORTH 86 DEGREES 16 MINUTES 08 SECONDS WEST 122.45 FEET ALONG A DIRECT LINE TO THE EASTERLY TERMINUS OF THAT CERTAIN CURVE IN THE SOUTHERLY LINE OF SAID ELEVENTH STREET, 102 FEET WIDE, AS SHOWN ON SAID MAP, HAVING A RADIUS OF 651 FEET, SAID POINT ALSO BEING THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 651.00 FEET, AND TO WHICH BEGINNING A RADIAL LINE BEARS SOUTH 5 DEGREES 31 MINUTES 37 SECONDS WEST; THENCE WESTERLY AND NORTHWESTERLY 256.98 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 22 DEGREES 37 MINUTES 03 SECONDS; THENCE NORTH 61 DEGREES 51 MINUTES 21 SECONDS WEST 13.62 FEET ALONG THE SOUTHEASTERLY RIGHT-OF-WAY OF ELEVENTH STREET, 102 FEET WIDE TO THE POINT OF BEGINNING.

EXCEPT THEREFROM, ALL OIL, CRUDE OIL, GAS, PETROLEUM, ASPHALTUM, HYDROCARBONS, CARBONS, MINERALS, AND MINERAL SUBSTANCES, GOLD, SILVER AND OTHER PRECIOUS METALS, AND OTHER KINDRED SUBSTANCES AND MINERALS OF WHATEVER NATURE, IN, UNDER AND RECOVERABLE FROM THE HEREINBEFORE DESCRIBED LAND, TOGETHER WITH THE RIGHT TO DRILL FOR AND PRODUCE SUCH, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES BY DIRECTIONAL DRILLING CONDUCTED FROM SURFACE LOCATIONS ON LAND OTHER THAN THE LANDS HEREINABOVE MENTIONED. SUCH EXCEPTION AND RESERVATION SHALL NOT OPERATE TO CREATE ANY

RIGHT TO CONDUCT DRILLING OPERATIONS FROM ANY PORTION OF THE SURFACE OF SAID ABOVE DESCRIBED LAND. ALL DIRECTIONAL DRILLING SHALL BE CONDUCTED IN SUCH A MANNER THAT THE WELL, HOLE SHAFT OR OTHER MEANS OF REACHING OR REMOVING SUCH OIL, GAS OR OTHER HYDROCARBON SUBSTANCES DOES NOT PENETRATE ANY PART OR PORTION OF SAID REAL PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS EXCEPTED AND RESERVED IN VARIOUS INSTRUMENTS OF RECORD, THREE OF WHICH RECORDED:

JANUARY 10, 1958 AS INSTRUMENT NO. 2914, IN BOOK 56379, PAGE 119; OCTOBER 23, 1968 AS INSTRUMENT NO. 2933, IN BOOK D4172 PAGE 989 AND JANUARY 23, 1970 AS INSTRUMENT NO. 2758 IN BOOK D4615 PAGE 229, ALL OF OFFICIAL RECORDS.

## Exhibit C

Proposed Signage Plan

## Exhibit D

Grant of Easement

#### Exhibit E-1

#### Revenue Share Inventory

- (a) <u>Fixed Signs</u>. 100% of the inventory of the following signs shall be designated as Revenue Share Inventory, with sign designations corresponding to the Proposed Signage Plan: (i) WH2a, (ii) WH2b, (iii) WH3a, (iv) WH3b, (v) WH6, (vi) WH7, (vii) WH8, (viii) C6, (ix) C7, (x) SH2, (xi) SH4, (xii) SH5, (xiii) SH7, and (xiv) SH16.
- (b) <u>LED Signs</u>. At any given time, 50% of the following LED signs shall be designated as Revenue Share Inventory, with sign designations corresponding to the Proposed Signage Plan: (i) WH4, (ii) WH5, (iii) SH1, (iv) SH3, (v) SH9, (vi) SH10, (vii) SH12, and (viii) SH13.

## Exhibit E-2

## District Sponsor Inventory

- (a) <u>Fixed Signs</u>. 100% of the inventory of the following fixed signs shall be designated as District Sponsor Inventory, with sign designations corresponding to the Proposed Signage Plan: (i) SH8a, (ii) SH8b, (iii) SH8c, (iv) SH8d, (v) SH8e, (vi) SH8f, (vii) SH8g, (viii) SH11, (ix) SH14a, (x) SH14b, (xi) SH14c, (xii) SH14d, (xiii) SH14e, (xiv) SH14f and (xv) SH14g.
- (b) <u>LED Signs</u>. At any given time, 25% of the following LED signs shall be designated as District Sponsor Inventory, with sign designations corresponding to the Proposed Signage Plan: (i) WH4, (ii) WH5, (iii) SH1, (iv) SH3, (v) SH9, (vi) SH10, (vii) SH12, and (viii) SH13.

## **Attachment B**

Recording requested by:

and when recorded, return to:

Latham & Watkins LLP 633 West Fifth Street, Suite 4000 Los Angeles, California 90071 Attention: William Delvac, Esq.

#### GRANT OF EASEMENT

This GRANT OF EASEMENT (this "<u>Agreement</u>") is made and entered into as of the day of July, 2008 by the CITY OF LOS ANGELES (the "<u>City</u>") in favor of L.A. ARENA LAND COMPANY, LLC (with its successors and assigns, "<u>LandCo</u>"), with reference to the following facts:

- A. the City is the owner of that certain real property located in the City and County of Los Angeles, State of California, commonly known as the Los Angeles Convention Center and more particularly described on <a href="Exhibit A">Exhibit A</a> attached hereto (the "Convention Center Property").
- B. That certain real property located adjacent to the Convention Center Property and more particularly described on Exhibit B attached hereto ("LandCo Property") is owned by a subsidiary of LandCo.
- C. Pursuant to that certain Signage and Advertising Agreement dated as of July \_\_\_, 2008 (the "Signage Agreement"), the City and LandCo adopted a signage, advertising and message display system throughout the Convention Center, which system is to be maintained and operated by LandCo.
- D. The City intends to convey to LandCo a non-exclusive easement appurtenant over portions of the Convention Center Property for purposes of installing, operating and maintaining the signage rights granted under the Signage Agreement, as set forth in this Agreement.
- E. Pursuant to the bond financing documents for the Convention Center Property, the City and the Los Angeles Convention and Exhibition Center Authority (the "Authority") have consented and certified in writing that this Easement Agreement will not materially impair the ownership interest of the Authority in the Facility Lease for the Convention Center Property.

LA\1819791.2 Rev. 7-18-2008

## NOW, THEREFORE, FOR VALUABLE CONSIDERATION:

- 1. Grant of Easement. The City hereby grants to LandCo, its successors and assigns, and for the benefit of LandCo, its successors and assigns, and without payment of any rent or other monetary consideration therefor (except as may be contemplated by the Signage Agreement), a nonexclusive easement appurtenant over the entire Convention Center Property visible from the exterior of improvements thereon for purposes of installing, using and maintaining the signage described in the Signage Agreement (collectively, the "Commercial Signage"). The City and LandCo hereby agree that the exact location of such easement will be established based on mutual agreement and shall be subject to any requirements of the City and any applicable governmental authority. The City further agrees to provide LandCo with reasonable rights of access to the Commercial Signage to permit LandCo to construct, operate, maintain and continuously update the Commercial Signage in accordance with the Signage Agreement.
- 2. <u>Cooperation</u>. The City agrees to cooperate with LandCo to facilitate the efficient operation and maintenance of the Commercial Signage, including without limitation, by allowing LandCo access to the nearest point-of-connection for electricity to provide power to the Commercial Signage, provided that all costs and expenses relating to providing power from such point-of-connection to the Commercial Signage and all electricity costs associated with the operation of the Commercial Signage shall be LandCo's sole responsibility.
- 3. <u>Term.</u> This easement Agreement shall automatically expire upon the end of the term of the Signage Agreement.

LA\1819791.2 07-22-2008

IN WITNESS WHEREOF, the City has executed this Agreement as of the date and year first written above.

Dated:	CITY:
APPROVED AS TO FORM:	CITY OF LOS ANGELES, a municipal corporation
ROCKARD J. DELGADILLO, CITY ATTORNEY	By:
_	Its:
By: Marilyn Garcia, Asst. City Attorney	

# Attachment C

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

Latham & Watkins LLP 633 West Fifth Street, Suite 4000 Los Angeles, CA 90071 Attn: William F. Delvac, Esq.

(Above Space For Recorder's Use Only)

#### THIRD AMENDMENT TO

#### RECIPROCAL EASEMENT AND ENVIRONMENTAL RESTRICTION AGREEMENT

RECIPROCAL **EASEMENT** This THIRD **AMENDMENT** TO AND ENVIRONMENTAL RESTRICTION AGREEMENT (this "Third Amendment") is made and , 2008 by and among the CITY OF LOS ANGELES. entered into as of municipal corporation (the "City"), THE **COMMUNITY** charter city and REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CALIFORNIA, a public body corporate and politic (the "Agency"), and L.A. ARENA LAND COMPANY, LLC, a Delaware limited liability company ("Developer"). The City, the Agency and Developer are at times collectively referred to herein as the "Parties".

#### **RECITALS**

WHEREAS, the City, the Agency and Developer are parties to that certain Reciprocal Easement and Environmental Restriction Agreement dated as of March 26, 1998 and recorded on March 27, 1998 as Instrument No. 98-501502 (as amended by that certain First Amendment to Reciprocal Easement and Environmental Restriction Agreement dated as of November 10, 2005 and recorded on December 1, 2005 as Instrument No. 052934860 and that certain Second Amendment to Reciprocal Easement and Environmental Restriction Agreement dated as of November 10, 2005 and recorded on December 1, 2005 as Instrument No. 052934859, the "Original Agreement"). The Original Agreement, as amended by this Third Amendment, shall be referred to herein as the "Agreement";

WHEREAS, pursuant to the Original Agreement, the Parties (i) granted each other certain rights and easements in, to, over and across certain portions of the Property, (ii) established certain rights and restrictions on the use of certain portions of the Property, and (iii) entered into certain other covenants and agreements relating to the maintenance, operation and use of those portions of the Property;

WHEREAS, the Original Agreement also granted a license and certain signage rights to Developer with respect to the South Hall Signage and a Pylon Sign on the Convention Center Property and granted Developer exclusive signage rights for the display of commercial names or

logos anywhere on the Convention Center Property visible from the exterior of improvements thereon;

WHEREAS, concurrent with this Third Amendment, the City and Developer are entering into that certain unrecorded Signage and Advertising Agreement dated as of the date hereof (the "Signage Agreement"), pursuant to which the City and Developer are agreeing to the addition of new signage displays throughout the exterior of the Convention Center (i) to provide for the sale of commercial advertising to third party advertisers in order to create revenue enhancement opportunities for both the City and Developer, (ii) to enhance the means of announcing and publicizing events taking place at the Convention Center, LA Live (as defined in the Signage Agreement), and the Arena, (iii) to facilitate the integration of the Convention Center with the proposed Marriott/Ritz Convention Hotel and other complimentary facilities, and (iv) to create a bold, lively and uniform aesthetic appearance in the messaging, theming and branding occurring throughout the area encompassed by the Arena, the Convention Center and LA Live (collectively, the "District");

WHEREAS, the Parties desire to amend the Original Agreement as specified herein in order to allow for the granting of additional signage rights and easements to Developer in accordance with the Signage Agreement; and

WHEREAS, pursuant to the bond financing documents for the Convention Center Property, the City and the Los Angeles Convention and Exhibition Center Authority (the "Authority") have consented and certified in writing that this Third Amendment will not materially impair the ownership interest of the Authority in the Facility Lease for the Convention Center Property.

#### **AGREEMENT**

**NOW, THEREFORE**, in consideration of the premises made hereunder, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

SECTION 1. <u>Definitions</u>. Unless otherwise expressly defined herein, all capitalized terms used herein and defined in the Original Agreement shall be used herein as so defined.

### SECTION 2. Amendment.

- (a) Section 4.10.2 of the Original Agreement is hereby deleted in its entirety and replaced with the following:
  - 4.10.2 <u>Beer Exception</u>. Notwithstanding the provisions of Section 4.10.1, the display of beer signage, including the names of beer products and/or companies selling beer, shall be permitted on the Arena Site, the Convention Center Property, and the Olympic/Figueroa Properties, excluding the Pylon Sign located on Convention Center Property.

- (b) So long as the Signage Agreement remains in full force and effect, Section 4.16 of the Original Agreement shall be modified such that in addition to being granted the right to hang banners or provide other similar forms of signage upon the Convention Center Property, the Convention Center shall have the right to provide exposure to Convention Center exhibitors through its rights to Event Use (as defined in the Signage Agreement) on the Electronic Displays (as defined in the Signage Agreement).
  - SECTION 3. <u>Costs and Expenses</u>. The Parties shall each pay their own costs and expenses (including reasonable attorney's fees) incurred in connection with the preparation, execution and delivery of this Third Amendment.
  - SECTION 4. Governing Law. This Third Amendment shall be governed by, and shall be construed and enforced in accordance with, the laws of the State of California.
  - SECTION 5. <u>Counterparts</u>. This Third Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.
  - SECTION 6. Limited Effect. This Third Amendment relates only to the specific matters expressly covered herein, shall not be considered to be a waiver of any rights or remedies the Parties may have under the Original Agreement or under any other agreement between the Parties, and shall not be considered to create a course of dealing or to otherwise obligate in any respect the Parties to execute similar or other amendments under the same or similar or other circumstances in the future. The Parties are executing and delivering this Third Amendment concurrently with the delivery of the Signage Agreement and hereby agree that in the event the terms of this Agreement conflict with the terms of the Signage Agreement, and so long as the Signage Agreement is in full force and effect, the terms of the Signage Agreement shall supersede the terms of this Agreement and shall govern the rights and obligations of the relevant Parties.

[Signature page follows]

IN WITNESS WHEREOF, the Parties hereto have caused this Third Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

Dated:	CITY:
APPROVED AS TO FORM:	CITY OF LOS ANGELES, a municipal corporation
ROCKARD J. DELGADILLO, CITY ATTORNEY	By:
By:Marilyn Garcia, Asst. City Attorney	Its:
Dated:	AGENCY:
APPROVED AS TO FORM:  ROCKARD J. DELGADILLO, CITY ATTORNEY	THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CALIFORNIA, a public body corporate and politic
CITTATIONNET	By:
By: City Attorney	Its:
Dated:	DEVELOPER:
	L.A. ARENA LAND COMPANY, LLC, a Delaware limited liability company
	By:
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