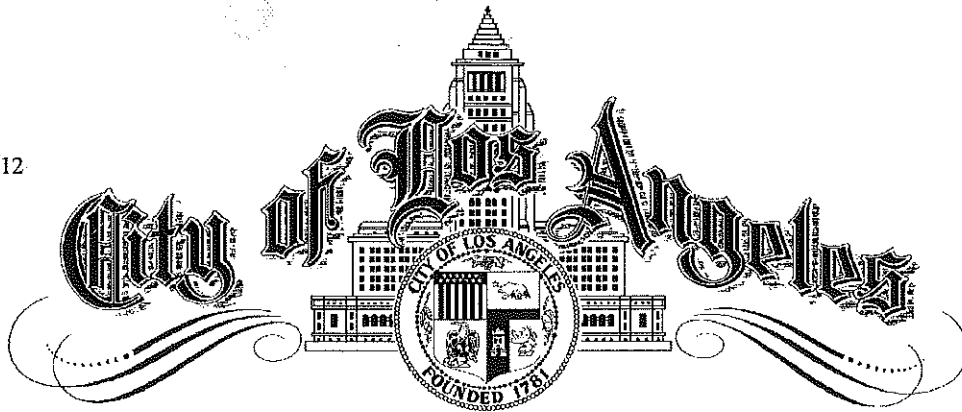


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CARMEN A. TRUTANICH
City Attorney

REPORT NO. 010-0253
JUL 20 2010

REPORT RE:

**DRAFT ORDINANCE AUTHORIZING THE ADOPTION OF
AN AMENDMENT TO THE THIRD AMENDED AND
RESTATED DEVELOPMENT AGREEMENT BY AND AMONG
THE CITY OF LOS ANGELES, L.A. ARENA LAND COMPANY, LLC,
FLOWER HOLDINGS, LLC, OLYMPIC AND GEORGIA PARTNERS, LLC,
LA LIVE THEATRE, LLC, LA LIVE PROPERTIES, LLC,
FIDM RESIDENTIAL, INC., AND FIG CENTRAL FEE OWNER LLC**

The Honorable City Council
of the City of Los Angeles
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

CPC File No. 2009-2677-SPA-ZC-DA

Honorable Members:

This Office has prepared and transmits for your consideration the attached draft ordinance and Amendment to Third Amended and Restated Development Agreement (Amendment), each approved as to form and legality, together with an alternate version of the Amendment which this office recommends.

L.A. Arena Land Company, LLC (Developer) is requesting a fifth amendment to a previously adopted Development Agreement in order to incorporate certain modifications to the Project.

Background

On September 4, 2001, the City Council adopted Ordinance No. 174,226, which authorized the execution of a development agreement between the City and The L.A. Arena Land Company, Inc. and Flower Holdings, LLC (Original Development Agreement). The area subject to the Original Development Agreement included 27 acres east of the Harbor Freeway and adjacent to Staples Center and the Convention Center, in the Central City Community Plan area. The development plan for the properties consisted of 4,000,000 square feet of floor area, which included a minimum of 1,400 hotel rooms, a minimum of 500 residential units, retail, office, entertainment, restaurant and convention center uses. The Original Development Agreement was approved at the same time the Los Angeles Sports and Entertainment District was established.

The Original Development Agreement was previously amended on December 10, 2003 (Amendment to Development Agreement), on December 14, 2005 (Amended and Restated Development Agreement), on December 12, 2006 (Second Amended and Restated Development Agreement) and on April 2, 2008 (Third Amended and Restated Development Agreement). The Amended and Restated Development Agreement also included FIDM Residential, Inc. and Figueroa South Land, LLC as parties to the development agreement because they had become owners of land in the area subject to the development agreement. The Third Amended and Restated Development Agreement also included Fig Central Fee Owner, LLC to reflect that JM Fig LLC, MG Fig, LLC, HS Fig, LLC and CLAD Resources Borrower, LLC had taken ownership of a portion of the properties located within the area covered by the development agreement as tenants in common and Olympic and Georgia Partners, LLC was added as a party to the development agreement to reflect that L.A. Arena Land Company, LLC transferred all of its rights under the development agreement to Olympic and Georgia Partners, LLC. (The L.A. Arena Land Company, Inc., previously organized as a corporation under the laws of the State of Delaware previously converted to a Delaware limited liability company and is now known as L.A. Arena Land Company, LLC).

Subsequently in 2010, Figueroa South Land, LLC defaulted on its parcel and ownership was taken over by Swedbank. Therefore Figueroa South Land, LLC is no longer a party to the Development Agreement.

Summary of Changes Contained in Amendment to Third Amended and Restated Development Agreement

The Amendment expands the Development Agreement Property to include four additional parcels owned by Developer, identified as APN 5138-005-032, north and immediately adjacent to the Olympic North Properties; increases the maximum permitted floor area of the LASED Specific Plan Properties to provide for additional

office, production and broadcast studio uses; and increases the maximum height permitted on the expanded Olympic North Properties. Clarification is also made to Section 1.4, Applicable Rules to explain that for the additional parcels added by the Amendment, and any future parcels added, that the Municipal Code shall apply as of the effective date of the Amendment or any future amendment, not the date of the Original Development Agreement.

Recommended Changes to the Development Agreement

Along with this report and the ordinance and Amendment approved by the City Planning Commission, this Office also transmits to you another version of the Amendment which adds a new Section 1(h)(iii) to the Amendment. Section 1(h)(iii) would require the Developer to comply with the Special Events Fee provisions of Sections 41.20, 41.20.1 and Section 80.08.7(e) of the Los Angeles Municipal Code (LAMC), which were added and amended by you on October 26, 2009. The Special Events Fee requirements of the amended LAMC sections are not currently part of the Applicable Rules under the Development Agreement. Therefore, by adding this Section, Developer would be required to provide funding for City costs related to certain special events that it would not otherwise be required to make.

Should you decide to adopt this alternate version of the Amendment, this Office will obtain approval of the alternative version from the Planning Director, on behalf of the Planning Commission, pursuant to Charter Section 559 and re-transmit the alternate version to you for your final approval.

City Planning Commission Action

Pursuant to Charter Section 559, on June 22, 2010, the Director of Planning, on behalf of the Planning Commission, approved the draft ordinance and the Amendment to Third Amended and Restated Development Agreement and recommended that the City Council adopt it. The Commission adopted the required Charter and Government Code findings, prepared by the Department of City Planning, that are contained in the Planning Department's staff report to the City Planning Commission report to the City Planning Commission, at pages F-6 through F-8. Should the City Council adopt this ordinance, it may comply with the provisions of Charter Section 558 and the Government Code by either adopting these findings or by making its own findings.

California Environmental Quality Act

The development encompassed by the Original Development Agreement was evaluated for environmental impacts under EIR Number 2000-3577 (State Clearinghouse No. 2000091046), and certified by City Council on September 4, 2001. On October 26, 2006, City Council adopted an addendum in connection with its approval of the Second Amended and Restated Development Agreement. A second

addendum was prepared to discuss the potential impacts of changes to development permitted by the Third Amended and Restated Development Agreement and by accompanying land use approvals. A third addendum was prepared to discuss the potential impacts of recent changes to development permitted by this Amendment and by accompanying land use approvals. On November 12, 2009, the City Planning Commission adopted CEQA findings approving the use of the addendum and concluding that the revised project will not create any new significant impacts or substantial increase in the severity of previously identified potentially significant impacts, that therefore no additional environmental clearance is required under State CEQA Guidelines 15162, that the previously adopted mitigation monitoring program is adequate for the revised project, and that the addendums were prepared in compliance with CEQA. If, after reviewing and considering the EIR and third addendum, you agree, you may comply with CEQA by adopting the November 12, 2009 CEQA findings of the City Planning Commission concluding that no additional environmental clearance is required under State CEQA Guidelines Section 15162.

Council Rule 38 Referral

Pursuant to Council Rule 38, copies of the draft ordinance and the Third Amended and Restated Development Agreement were sent to the Department of Building and Safety.

Government Code Requirements for Notice and Hearing

Before action may be taken on either the draft ordinance or the Third Amended and Restated Development Agreement, the City must comply with the provisions of Government Code Sections 65867, 65090, and 65091. Those sections require, among other things, notice and a public hearing. In addition, the City's development agreement procedures state that the City Council shall not take any action on any development agreement prior to the expiration of a 24-day notice.

Recommended Actions

If the City Council wishes to approve the proposed Third Amended and Restated Development Agreement as recommended by the City Planning Commission, instead of the alternate version of the Amendment transmitted with this report, it should:

1. Adopt the November 12, 2009, findings of the Planning Commission;
2. Review and consider the EIR as modified by the first, second and third addenda;

3. Adopt the third addendum to the EIR;
4. Find that both the adoption of the ordinance and the approval of the Amendment to Third Amended and Restated Development Agreement require no additional environmental review under CEQA pursuant State CEQA Guidelines Section 15162; and
5. Approve the attached draft ordinance authorizing the execution of the Amendment to Third Amended and Restated Development Agreement.

If the City Council wishes to approve the alternate version of the Amendment transmitted with this report, it should instruct the City Attorney to prepare and present an ordinance authorizing the execution of the alternate version of the Amendment.

If you have any questions regarding this matter, please contact Deputy City Attorney Laura Cadogan at (213) 978-8177. She or another member of this Office will be present when you consider this matter to answer any questions you may have.

Very truly yours,

CARMEN A. TRUTANICH, City Attorney

By 
PEDRO B. ECHEVERRIA
Chief Assistant City Attorney

PBE/LC:zra
Transmittal

ORDINANCE NO. _____

An ordinance authorizing the execution of an Amendment to the Third Amended and Restated Development Agreement by and among the City of Los Angeles (the City), L.A. Arena Land Company, LLC (LandCo), Flower Holdings, LLC (Flower Holdings), Olympic and Georgia Partners, LLC (OGP), LA Live Theatre, LLC (LA Live Theatre), LA Live Properties, LLC (LA Live Properties), FIDM Residential, Inc. (FIDM) and Fig Central Fee Owner, LLC (Figueroa Central Owner) relating to real property in the Central City Community Plan area and within and adjacent to the Los Angeles Sports and Entertainment District Specific Plan area (Amendment), which is hereby incorporated by reference.

WHEREAS, a Development Agreement between the City, LandCo and Flower Holdings was entered into on December 11, 2001, and recorded on December 18, 2001, in the Official Records of Los Angeles County, California as Instrument No. 01-2421128 after adoption by the City Council as Ordinance No. 174227 on September 4, 2001 (the Development Agreement) as amended by Amendment to Development Agreement dated December 10, 2003, by and among City, LandCo and Flower Holdings and recorded in the Official Records of Los Angeles County, California as Instrument No. 2004-0100217 (as amended, the Original Development Agreement); and

WHEREAS, an Amended and Restated Development Agreement between the City, LandCo, Flower Holdings, FIDM, and Figueroa South Land was entered into on December 14, 2005, and recorded on December 19, 2005, in the official Records of Los Angeles County, California as Instrument No. 2005-3119740 after adoption by the City Council as Ordinance No. 177,020 on September 21, 2005; and

WHEREAS, a Second Amended and Restated Development Agreement between the City, LandCo, Flower Holdings, FIDM, and Figueroa South Land was entered into on May 22, 2007, and recorded on May 29, 2007, in the official Records of Los Angeles County, California as Instrument No. 2007-1291167 after adoption by the City Council as Ordinance No. 178,136 on December 12, 2006; and

WHEREAS, a Third Amended and Restated Development Agreement between the City, LandCo, Flower Holdings, OGP, LA Live Theatre, LA Live Properties, FIDM, Figueroa South Land and Figueroa Central Owner was entered into on April 2, 2008, and recorded on April 10, 2008, as Instrument No. 2008-0625541 after adoption by the City Council as Ordinance No. 179,414 on November 30, 2007; and

WHEREAS, OGP, LA Live Theatre, and LA Live Properties own certain property interests in the Development Agreement Property, and LandCo has partially assigned its rights to, and each of, OGP, LA Live Theatre and LA Live Properties have assumed LandCo's obligations under the Amended and Restated Development Agreement, as they relate to these properties; and

WHEREAS, Figueroa Central Owner owns certain property interests in the Development Agreement Property, and Land Co and Flower Holdings have assigned their rights to and Figueroa Central Owner has assumed LandCo's and Flower Holdings' obligations under the Third Amended and Restated Development Agreement, as they relate to these properties; and

WHEREAS, Swedebank NA has assumed ownership of the parcel previously owned by Figueroa South Land, LLC; and

WHEREAS, City, LandCo, Flower Holdings, OGP, LA Live Theatre, LA Live Properties, FIDM, and Figueroa Central Owner, each parties to the Third Amended and Restated Development Agreement, wish to further amend the Development Agreement to conform the Development Agreement to the Los Angeles Sports and Entertainment District Specific Plan; and

WHEREAS, after due notice the City Planning Commission and the City Council did conduct public hearings on this matter; and

WHEREAS, pursuant to California Government Code Sections 65864 *et seq.* the City Planning Commission has transmitted its findings and recommendations; and

WHEREAS, this Amendment is in the public interest and is consistent with the City's General Plan including the Central City Community Plan and the Los Angeles Sports and Entertainment District Specific Plan; and

WHEREAS, the City Council has reviewed and considered this Amendment and the findings and recommendations of the City Planning Commission.

NOW, THEREFORE,

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. The City Council finds, with respect to this Amendment that:

(a) It is consistent with the objectives, policies and programs specified in the General Plan, including the Central City Community Plan, and the Los Angeles Sports and Entertainment District Specific Plan (Specific Plan), and is compatible with the uses authorized in, and the regulations prescribed for, the zone in which the real property is located. Specifically, the Amended Development Agreement conforms the Development Agreement to the amendments to the Specific Plan;

(b) The intensity, building height and uses set forth in this Amendment are permitted by and consistent with the Central City Community Plan and the Los Angeles Sports and Entertainment District Specific Plan;

(c) This Amendment will not be detrimental to the public health, safety and general welfare since it encourages the construction of a project which is desirable and beneficial to the public. Furthermore, this Amendment does not modify those provisions of the Development Agreement which specifically permit application to the project of rules and regulations under City Municipal Code Section 98.0605 to 91.101.1 relating to public health and safety;

(d) This Amendment complies with all applicable City and State regulations governing development agreements;

(e) This Amendment is necessary to strengthen the public planning process and to reduce the public and private costs of development uncertainty.

Sec. 2. The City Council hereby approves the Amended Development Agreement and authorizes and directs the Mayor to enter into said Amended Development Agreement in the name of the City of Los Angeles, and, further, directs the City Clerk to record said Amendment and this ordinance with the County Recorder within ten (10) days of its effective date should the Amendment not be otherwise recorded.

Sec. 3. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that this ordinance was passed by the Council of the City of Los Angeles, at its meeting of _____.

JUNE LAGMAY, City Clerk

By _____ Deputy

Approved _____

Antonio Villaraigosa, Mayor

Approved as to Form and Legality

CARMEN A. TRUTANICH, City Attorney

By Laura M. Cadogan
Laura M. Cadogan
Deputy City Attorney

Pursuant to Charter Section 559, I approve this ordinance on behalf of the City Planning Commission and recommend that it be adopted

June 22, 2010

See attached report.

Gail Goldberg
Gail Goldberg
Director of Planning

File No. 09-3070

**AMENDMENT TO THIRD AMENDED AND RESTATED
DEVELOPMENT AGREEMENT**

This Amendment to the Third Amended and Restated Development Agreement (“Amendment”) is executed this ___ day of _____ 2010 (“Effective Date”), by and among the CITY OF LOS ANGELES, a municipal corporation (“City”), L.A. ARENA LAND COMPANY, I.L.C, a Delaware limited liability company (“LandCo”), FLOWER HOLDINGS, LLC, a Delaware limited liability company (“Flower Holdings”), OLYMPIC AND GEORGIA PARTNERS, LLC, a Delaware limited liability company (“OGP”), LA LIVE THEATRE, LLC a Delaware limited liability company (“LA Live Theatre”), LA LIVE PROPERTIES, LLC, a Delaware limited liability company (“LA Live Properties”), FIDM RESIDENTIAL, INC., a California corporation (“FIDM”), and FIG CENTRAL FEE OWNER, LLC a Delaware limited liability company (“Figuroa Central Owner”) and collectively with City, LandCo, Flower Holdings, OGP, LA Live Theatre, LA Live Properties, FIDM and Figuroa Central Owner (the “Parties”) pursuant to California Government Code Section 65868, and the implementing procedures of the City.

RECITALS

A. City, LandCo and Flower Holdings entered into that certain Development Agreement dated December 11, 2001 and recorded on December 18, 2001 in the Official Records of Los Angeles County, California, as Instrument No. 01-2421128 (the “Development Agreement”) after adoption by the City Council as Ordinance No. 174227 on September 4, 2001, as amended by Amendment to Development Agreement dated December 10, 2003, by and among City, LandCo and Flower Holdings and recorded in the Official Records of Los Angeles County, California as Instrument No. 04-0100217 (as amended, the “Original Development Agreement”).

B. The Original Development Agreement was amended and restated in its entirety by that Amended and Restated Development Agreement dated December 14, 2005 by and among the City, LandCo, Flower Holdings, FIDM and Figuroa South Land and recorded on December 19, 2005 in the Official Records of Los Angeles County, California, as Instrument No. 053119740. The Original Development Agreement was further amended and restated in its entirety by that Second Amended and Restated Development Agreement dated May 22, 2007 by and among the City, LandCo, Flower Holdings, FIDM, and Figuroa South Land and recorded on May 29, 2007 in the Official Records of Los Angeles County, California as Instrument No. 2007-1291167. The Original Development Agreement was further amended and restated in its entirety by that Third Amended and Restated Development Agreement dated April 2, 2008 by and among the City, LandCo, Flower Holdings, OGP, LA Live Theatre, LA Live Properties, FIDM, Figuroa South Land and Figuroa Central Owner. The Original Development Agreement as amended and restated shall be hereinafter referred to as the “Amended and Restated Development Agreement.”

C. The Parties desire to enter into this Amendment, pursuant to Section 6.8 of the Amended and Restated Development Agreement, to expand the Development Agreement Property to include four additional adjacent parcels owned by LandCo, identified as APN 5138-005-032, north of and immediately adjacent to the Olympic North Properties as identified on

Attachment 3 (the "Additional Parcels"); to increase the maximum permitted floor area of the LASED Specific Plan Properties to provide for additional office, production and broadcast studio uses; increase the maximum height permitted on the expanded Olympic North Properties; and to make other minor modifications.

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants and conditions herein, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree to amend the Amended and Restated Development Agreement as follows:

Section 1. Olympic North Properties. To accommodate the expansion of the Olympic North Properties to include the Additional Parcels and additional development within the Olympic North Properties, Sections 1.12, 1.15, 1.21, 1.30 and 3.2.3.1 and Attachments 1 and 2 of the Amended and Restated Development Agreement shall be amended for the Olympic North Properties as follows:

(a) Section 1.12 is hereby amended to add "the Fifth Implementation of the DDA, the Sixth Implementation of the DDA, the Seventh Implementation of the DDA" after "the Fourth Implementation of the DDA".

(b) To include the additional 0.7 acres of the Additional Parcels into the Development Agreement Property, Section 1.15 is hereby amended by replacing "27.1 acres" with "27.8 acres".

(c) Section 1.21 is hereby amended to replace "Ordinance No. 178134" with "Ordinance No. [xxx]".

(d) To include the additional floor area and acreage permitted within the Development Agreement Property and clarify the uses permitted within the Development Agreement Property, Section 1.30 is hereby amended by replacing "5,977,806 square feet of floor area" with "6,290,018 square feet of floor area", replacing "27.1 acres" with "27.8 acres", and adding "production and broadcast studio," after "office space, including".

(e) To clarify the Applicable Rules for the Additional Parcels, as defined below, Section 2.3.1 is hereby amended to add "(3) reduced in density, intensity or use from what is set forth in the Applicable Rules for the Additional Parcels as of the Effective Date;" and to renumber the previous subsequent subsections (3) and (4) to (4) and (5) respectively.

(f) Attachment 1 is hereby replaced with Attachment 1 of this Amendment, entitled Development Agreement Property.

(g) Attachment 2 is hereby replaced with Attachment 2 to this Amendment, entitled LASED Specific Plan Properties.

(h) Applicable Rules.

(i) Development Agreement Properties Other than the Additional Parcels. For the Development Agreement Properties other than the Additional Parcels, the Applicable Rules are set forth in Section 1.4 of the Amended and Restated Development Agreement. Pursuant to Section 1.4, the amendments to the LASED Specific Plan and Los Angeles Municipal Code adopted concurrent with the adoption of this Amendment shall be included within the Applicable Rules as if such amendments were in effect as of the Original Effective Date.

(ii) Additional Parcels. For the Additional Parcels, the Applicable Rules are the rules, regulations, ordinances and officially adopted policies of the City in force as of the Effective Date, including but not limited to the LASED Specific Plan and the Municipal Code. Notwithstanding the language of this Section or any other language in this Agreement, all specifications, standards and policies regarding the design and construction of public works facilities, if any, shall be those that are in effect at the time the applicable Project plans are being processed for approval and/or under construction. Further, the Applicable Rules shall include (i) the Citywide programs which will be enacted after the Effective Date, for storm water pollution abatement mandated by the Federal Water Pollution Control Act of 1972, and subsequent amendments to the Act; and (ii) a change in the downtown parking requirements if ultimately adopted by the City Council after the Effective Date to the extent the change is consistent with the Central City Community Plan Update as recommended by City Planning Commission action, dated November 12, 1998, CPC No. 94-0225CAU.

Section 2. City Procedures and Actions.

(a) Planning Commission Action. The Planning Commission held a duly noticed public hearing on November 12, 2009, and recommended approval of this Amendment on the same date.

(b) City Council Action. The City Council on [xxx], after conducting a duly noticed public hearing, adopted Ordinance No. [xxx], to become effective on the thirty-first day after publication, or on the forty-first day after posting, approving this Amendment, found that its provisions are consistent with the City's General Plan, the Central City Community Plan, the LASED Specific Plan, and the Municipal Code, and authorized the execution of this Amendment.

Section 3. Notices. Any notices, demands and communications directed to LandCo, Flower Holdings, OGP, LA Live Theater, or LA Live Properties pursuant to the Amended and Restated Development Agreement or this Amendment shall be delivered to the following addresses, respectively, in conformance with the provisions of Section 6.15 of the Amended and Restated Development Agreement:

If to LandCo:

Mr. Ted Tanner
L.A. Arena Land Company, LLC
800 West Olympic Boulevard, Suite 305
Los Angeles, California 90015

with copies to:

Mr. Eduardo Cervantes
L.A. Arena Land Company, LLC
714 West Olympic Boulevard, Suite 401
Los Angeles, California 90015

Mr. David A. Goldberg, Esq.
Latham & Watkins
355 South Grand Avenue
Los Angeles, California 90071

If to Flower Holdings:

Mr. Ted Tanner
Flower Holdings, LLC
800 West Olympic Boulevard, Suite 305
Los Angeles, California 90015

with copies to:

Mr. Eduardo Cervantes
Flower Holdings, LLC
714 West Olympic Boulevard, Suite 401
Los Angeles, California 90015

Mr. David A. Goldberg, Esq.
Latham & Watkins
355 South Grand Avenue
Los Angeles, California 90071

If to OGP:

Mr. Ted Tanner
Olympic and Georgia Partners, LLC
800 West Olympic Boulevard, Suite 305
Los Angeles, California 90015

with copies to:

Mr. Eduardo Cervantes
Olympic and Georgia Partners, LLC
714 West Olympic Boulevard, Suite 401
Los Angeles, California 90015

Mr. David A. Goldberg, Esq.
Latham & Watkins
355 South Grand Avenue
Los Angeles, California 90071

If to LA Live Theatre:

Mr. Ted Tanner
LA Live Theatre, LLC
800 West Olympic Boulevard, Suite 305
Los Angeles, California 90015

with copies to:

Mr. Eduardo Cervantes
LA Live Theatre, LLC
714 West Olympic Boulevard, Suite 401
Los Angeles, California 90015

Mr. David A. Goldberg, Esq.
Latham & Watkins
355 South Grand Avenue
Los Angeles, California 90071

If to LA Live Properties:
Mr. Ted Tanner
LA Live Properties, LLC
800 West Olympic Boulevard, Suite 305
Los Angeles, California 90015

with copies to:
Mr. Eduardo Cervantes
LA Live Properties, LLC
714 West Olympic Boulevard, Suite 401
Los Angeles, California 90015

Mr. David A. Goldberg, Esq.
Latham & Watkins
355 South Grand Avenue
Los Angeles, California 90071

Section 4. Effectiveness of Amendment. This Amendment is dated for convenience only and shall only become effective on the date which is the latest of (i) the date this Amendment is executed by LandCo, Flower Holdings, OGP, LA Live Theatre, LA Live Properties, FIDM, and Figueroa Central Owner and (ii) the date this Amendment is approved and executed by the City.

Section 5. Counterparts. This Amendment may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same agreement.

Section 6. No Other Changes, Consistency. Notwithstanding any changes and deletions contained herein, all other provisions of the Amended and Restated Development Agreement remain the same. In the event of any conflict between the terms of the Amended and Restated Development Agreement and this Amendment, the terms of this Amendment shall govern.

Section 7. Severability. If any provision of this Amendment should be determined by a court to be invalid or unenforceable, the remaining provisions of this Amendment shall remain in full force and effect and continue to be binding on both Parties.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment as of the date first written above.

“City”

CITY OF LOS ANGELES, a municipal corporation of the State of California

APPROVED AS TO FORM:

Carmen Trutanich,
City Attorney

By:
Antonio Villaraigosa, Mayor

By:
Laura Cadogan
Deputy City Attorney

DATE: _____, 2010

ATTEST:
June Lagmay, City Clerk

By:
.....Deputy
DATE: _____, 2010

L.A. Arena Land Company, LLC
a Delaware limited liability company

APPROVED AS TO FORM:

By:
Name: David A. Goldberg
of Latham & Watkins LLP

By:
Name: Ted Tanner
Title: Vice President

Counsel for L.A. Arena Land Company, LLC

Flower Holdings, LLC,
a Delaware limited liability company

APPROVED AS TO FORM:

By:
Name: David A. Goldberg
of Latham & Watkins LLP

By:
Name: Ted Tanner
Title: Vice President

Counsel for Flower Holdings, LLC

Olympic and Georgia Partners, LLC,
a Delaware limited liability company

By:
Name: Ted Tanner
Title: Vice President

LA Live Theatre, LLC
a Delaware limited liability company

By:
Name: Ted Tanner
Title: Vice President
LA Live Properties, LLC, a Delaware
limited liability company

By:
Name: Ted Tanner
Title: Vice President

FIDM Residential, Inc.

By:
Name:
Title:

Fig Central Fee Owner LLC, a Delaware
limited liability company

By:
Name: Oskar Brecher
Title: Authorized Signatory

APPROVED AS TO FORM:

By:
Name: David A. Goldberg
of Latham & Watkins LLP

Counsel for Olympic and Georgia Partners,
LLC

APPROVED AS TO FORM:

By:
Name: David A. Goldberg
of Latham & Watkins LLP

Counsel for LA Live Properties, LLC

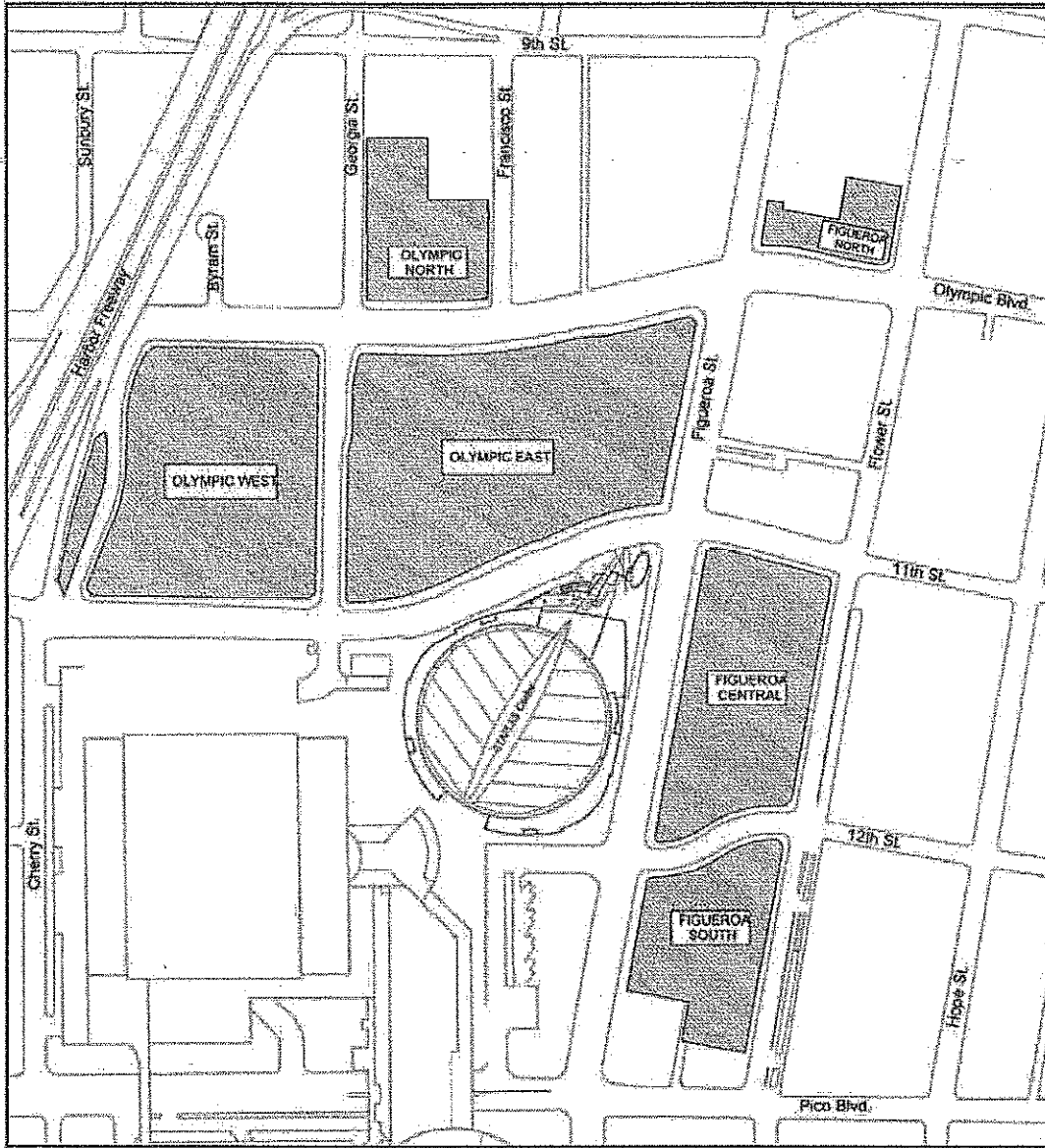
By:
Name:
Counsel for FIDM Residential, Inc.

APPROVED AS TO FORM:

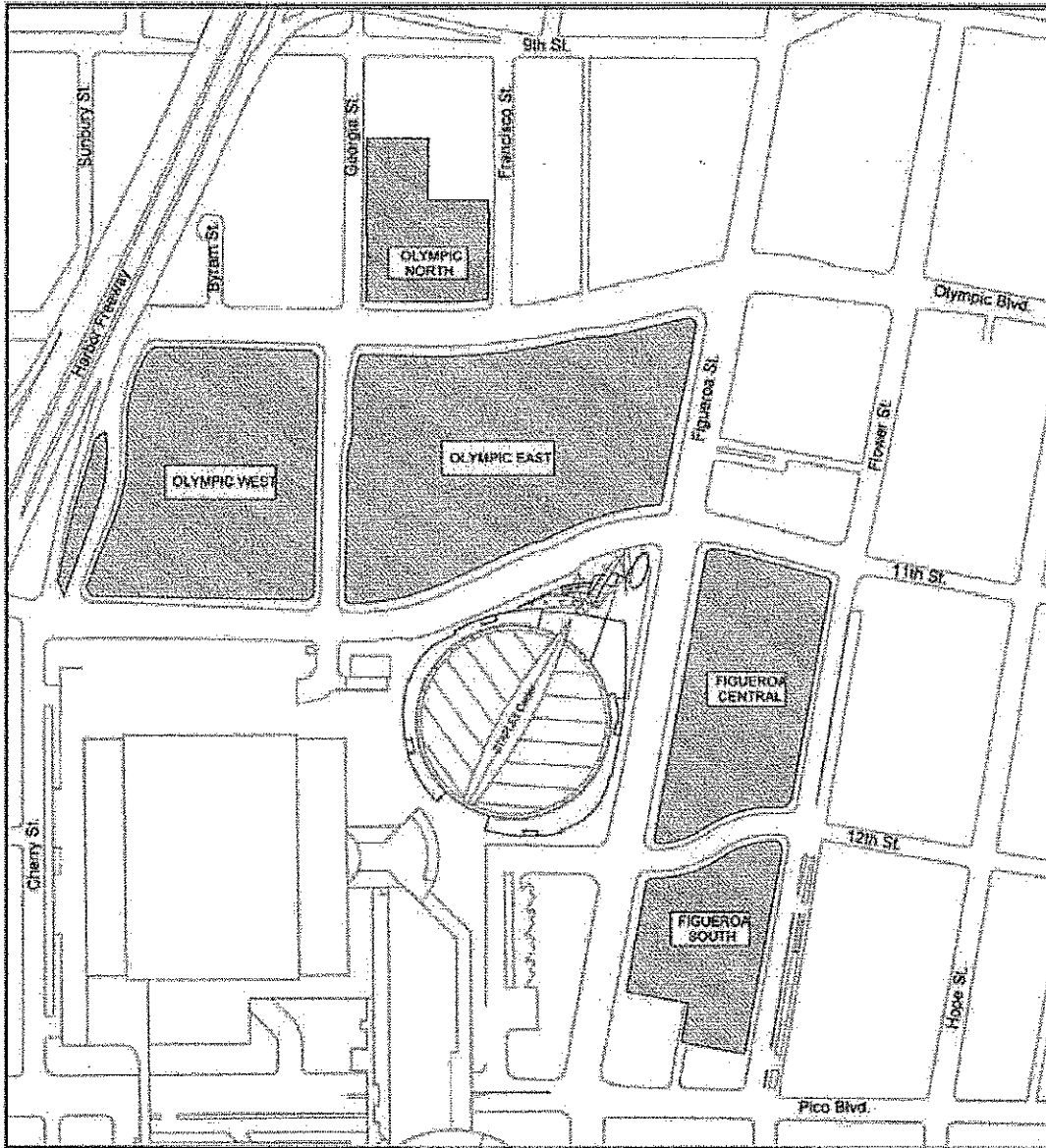
By:
Name: John W. Whitaker
of DLA Piper US LLP

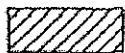
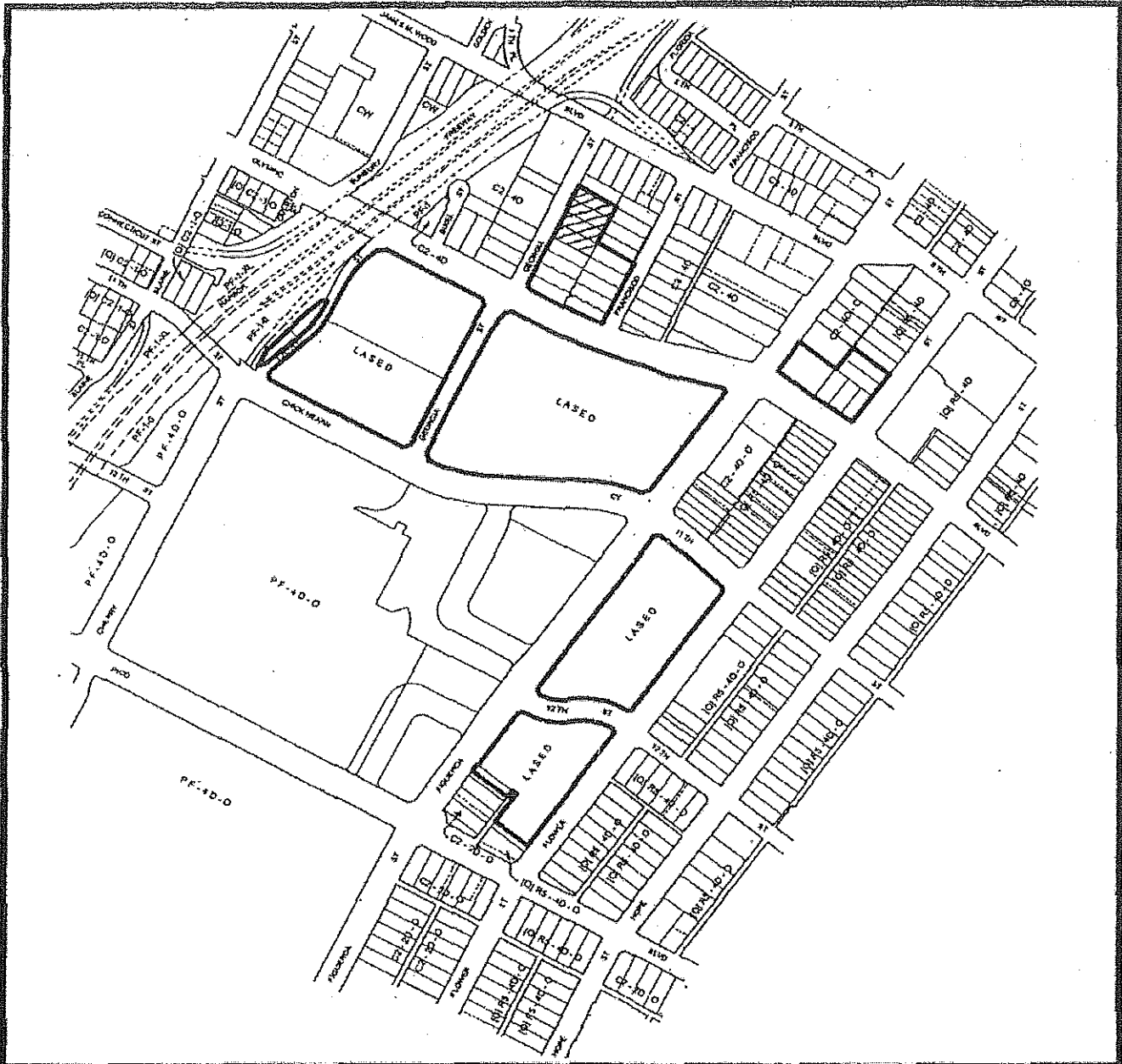
Counsel for Fig Central Fee Owner LLC

ATTACHMENT 1
DEVELOPMENT AGREEMENT AREA MAP



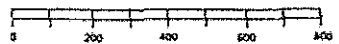
ATTACHMENT 2
Los Angeles Sports and Entertainment District
Specific Plan Map





Additional Parcels

SCALE:



Attachment 3
Additional Parcels to be Added to Development Agreement Property

**AMENDMENT TO THIRD AMENDED AND RESTATED
DEVELOPMENT AGREEMENT**

This Amendment to the Third Amended and Restated Development Agreement (“Amendment”) is executed this ___ day of _____ 2010 (“Effective Date”), by and among the CITY OF LOS ANGELES, a municipal corporation (“City”), L.A. ARENA LAND COMPANY, LLC, a Delaware limited liability company (“LandCo”), FLOWER HOLDINGS, LLC, a Delaware limited liability company (“Flower Holdings”), OLYMPIC AND GEORGIA PARTNERS, LLC, a Delaware limited liability company (“OGP”), LA LIVE THEATRE, LLC a Delaware limited liability company (“LA Live Theatre”), LA LIVE PROPERTIES, LLC, a Delaware limited liability company (“LA Live Properties”), FIDM RESIDENTIAL, INC., a California corporation (“FIDM”), and FIG CENTRAL FEE OWNER, LLC a Delaware limited liability company (“Figueroa Central Owner”) and collectively with City, LandCo, Flower Holdings, OGP, LA Live Theatre, LA Live Properties, FIDM and Figueroa Central Owner (the “Parties”) pursuant to California Government Code Section 65868, and the implementing procedures of the City.

RECITALS

A. City, LandCo and Flower Holdings entered into that certain Development Agreement dated December 11, 2001 and recorded on December 18, 2001 in the Official Records of Los Angeles County, California, as Instrument No. 01-2421128 (the “Development Agreement”) after adoption by the City Council as Ordinance No. 174227 on September 4, 2001, as amended by Amendment to Development Agreement dated December 10, 2003, by and among City, LandCo and Flower Holdings and recorded in the Official Records of Los Angeles County, California as Instrument No. 04-0100217 (as amended, the “Original Development Agreement”).

B. The Original Development Agreement was amended and restated in its entirety by that Amended and Restated Development Agreement dated December 14, 2005 by and among the City, LandCo, Flower Holdings, FIDM and Figueroa South Land and recorded on December 19, 2005 in the Official Records of Los Angeles County, California, as Instrument No. 053119740. The Original Development Agreement was further amended and restated in its entirety by that Second Amended and Restated Development Agreement dated May 22, 2007 by and among the City, LandCo, Flower Holdings, FIDM, and Figueroa South Land and recorded on May 29, 2007 in the Official Records of Los Angeles County, California as Instrument No. 2007-1291167. The Original Development Agreement was further amended and restated in its entirety by that Third Amended and Restated Development Agreement dated April 2, 2008 by and among the City, LandCo, Flower Holdings, OGP, LA Live Theatre, LA Live Properties, FIDM, Figueroa South Land and Figueroa Central Owner. The Original Development Agreement as amended and restated shall be hereinafter referred to as the “Amended and Restated Development Agreement.”

C. The Parties desire to enter into this Amendment, pursuant to Section 6.8 of the Amended and Restated Development Agreement, to expand the Development Agreement Property to include four additional adjacent parcels owned by LandCo, identified as APN 5138-005-032, north of and immediately adjacent to the Olympic North Properties as identified on

Attachment 3 (the "Additional Parcels"); to increase the maximum permitted floor area of the LASED Specific Plan Properties to provide for additional office, production and broadcast studio uses; increase the maximum height permitted on the expanded Olympic North Properties; and to make other minor modifications.

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants and conditions herein, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree to amend the Amended and Restated Development Agreement as follows:

Section 1. Olympic North Properties. To accommodate the expansion of the Olympic North Properties to include the Additional Parcels and additional development within the Olympic North Properties, Sections 1.12, 1.15, 1.21, 1.30 and 3.2.3.1 and Attachments 1 and 2 of the Amended and Restated Development Agreement shall be amended for the Olympic North Properties as follows:

(a) Section 1.12 is hereby amended to add "the Fifth Implementation of the DDA, the Sixth Implementation of the DDA, the Seventh Implementation of the DDA" after "the Fourth Implementation of the DDA".

(b) To include the additional 0.7 acres of the Additional Parcels into the Development Agreement Property, Section 1.15 is hereby amended by replacing "27.1 acres" with "27.8 acres".

(c) Section 1.21 is hereby amended to replace "Ordinance No. 178134" with "Ordinance No. [xxx]".

(d) To include the additional floor area and acreage permitted within the Development Agreement Property and clarify the uses permitted within the Development Agreement Property, Section 1.30 is hereby amended by replacing "5,977,806 square feet of floor area" with "6,290,018 square feet of floor area", replacing "27.1 acres" with "27.8 acres", and adding "production and broadcast studio," after "office space, including".

(e) To clarify the Applicable Rules for the Additional Parcels, as defined below, Section 2.3.1 is hereby amended to add "(3) reduced in density, intensity or use from what is set forth in the Applicable Rules for the Additional Parcels as of the Effective Date;" and to renumber the previous subsequent subsections (3) and (4) to (4) and (5) respectively.

(f) Attachment 1 is hereby replaced with Attachment 1 of this Amendment, entitled Development Agreement Property.

(g) Attachment 2 is hereby replaced with Attachment 2 to this Amendment, entitled LASED Specific Plan Properties.

(h) Applicable Rules.

(i) Development Agreement Properties Other than the Additional Parcels. For the Development Agreement Properties other than the Additional Parcels, the Applicable Rules are set forth in Section 1.4 of the Amended and Restated Development Agreement. Pursuant to Section 1.4, the amendments to the LASED Specific Plan and Los Angeles Municipal Code adopted concurrent with the adoption of this Amendment shall be included within the Applicable Rules as if such amendments were in effect as of the Original Effective Date.

(ii) Additional Parcels. For the Additional Parcels, the Applicable Rules are the rules, regulations, ordinances and officially adopted policies of the City in force as of the Effective Date, including but not limited to the LASED Specific Plan and the Municipal Code. Notwithstanding the language of this Section or any other language in this Agreement, all specifications, standards and policies regarding the design and construction of public works facilities, if any, shall be those that are in effect at the time the applicable Project plans are being processed for approval and/or under construction. Further, the Applicable Rules shall include (i) the Citywide programs which will be enacted after the Effective Date, for storm water pollution abatement mandated by the Federal Water Pollution Control Act of 1972, and subsequent amendments to the Act; and (ii) a change in the downtown parking requirements if ultimately adopted by the City Council after the Effective Date to the extent the change is consistent with the Central City Community Plan Update as recommended by City Planning Commission action, dated November 12, 1998, CPC No. 94-0225CAU.

(iii) Special Events Fees. Notwithstanding anything above or otherwise in the Amended and Restated Development Agreement, the Applicable Rules shall include Sections 41.20, 41.20.1, and 80.08.7(e) of the Los Angeles Municipal Code, as added and amended by Ordinance No. 180881, and Developer hereby agrees that should it hold any event that involves the use of, or has a direct or indirect impact on, public property or facilities, or that can reasonably be foreseen to have such an impact on or to require a higher level of public safety services or other municipal services, including advance planning services, than that normally provided by the City, shall be responsible for obtaining all required permits and for payment of the costs, including all fees, charges and salary costs, for all such services.

Section 2. City Procedures and Actions.

(a) Planning Commission Action. The Planning Commission held a duly noticed public hearing on November 12, 2009, and recommended approval of this Amendment on the same date.

(b) City Council Action. The City Council on [xxx], after conducting a duly noticed public hearing, adopted Ordinance No. [xxx], to become effective on the thirty-first day after publication, or on the forty-first day after posting, approving this Amendment, found that its provisions are consistent with the City's General Plan, the Central City Community Plan, the LASED Specific Plan, and the Municipal Code, and authorized the execution of this Amendment.

Section 3. Notices. Any notices, demands and communications directed to LandCo, Flower Holdings, OGP, LA Live Theater, or LA Live Properties pursuant to the Amended and Restated Development Agreement or this Amendment shall be delivered to the following addresses, respectively, in conformance with the provisions of Section 6.15 of the Amended and Restated Development Agreement:

If to LandCo:

Mr. Ted Tanner
L.A. Arena Land Company, LLC
800 West Olympic Boulevard, Suite 305
Los Angeles, California 90015

with copies to:

Mr. Eduardo Cervantes
L.A. Arena Land Company, LLC
714 West Olympic Boulevard, Suite 401
Los Angeles, California 90015

Mr. David A. Goldberg, Esq.
Latham & Watkins
355 South Grand Avenue
Los Angeles, California 90071

If to Flower Holdings:

Mr. Ted Tanner
Flower Holdings, LLC
800 West Olympic Boulevard, Suite 305
Los Angeles, California 90015

with copies to:

Mr. Eduardo Cervantes
Flower Holdings, LLC
714 West Olympic Boulevard, Suite 401
Los Angeles, California 90015

Mr. David A. Goldberg, Esq.
Latham & Watkins
355 South Grand Avenue
Los Angeles, California 90071

If to OGP:

Mr. Ted Tanner
Olympic and Georgia Partners, LLC
800 West Olympic Boulevard, Suite 305
Los Angeles, California 90015

with copies to:

Mr. Eduardo Cervantes
Olympic and Georgia Partners, LLC
714 West Olympic Boulevard, Suite 401
Los Angeles, California 90015

Mr. David A. Goldberg, Esq.
Latham & Watkins

355 South Grand Avenue
Los Angeles, California 90071

If to LA Live Theatre:
Mr. Ted Tanner
LA Live Theatre, LLC
800 West Olympic Boulevard, Suite 305
Los Angeles, California 90015

with copies to:
Mr. Eduardo Cervantes
LA Live Theatre, LLC
714 West Olympic Boulevard, Suite 401
Los Angeles, California 90015

Mr. David A. Goldberg, Esq.
Latham & Watkins
355 South Grand Avenue
Los Angeles, California 90071

If to LA Live Properties:
Mr. Ted Tanner
LA Live Properties, LLC
800 West Olympic Boulevard, Suite 305
Los Angeles, California 90015

with copies to:
Mr. Eduardo Cervantes
LA Live Properties, LLC
714 West Olympic Boulevard, Suite 401
Los Angeles, California 90015

Mr. David A. Goldberg, Esq.
Latham & Watkins
355 South Grand Avenue
Los Angeles, California 90071

Section 4. Effectiveness of Amendment. This Amendment is dated for convenience only and shall only become effective on the date which is the latest of (i) the date this Amendment is executed by LandCo, Flower Holdings, OGP, LA Live Theatre, LA Live Properties, FIDM, and Figueroa Central Owner and (ii) the date this Amendment is approved and executed by the City.

Section 5. Counterparts. This Amendment may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same agreement.

Section 6. No Other Changes, Consistency. Notwithstanding any changes and deletions contained herein, all other provisions of the Amended and Restated Development Agreement remain the same. In the event of any conflict between the terms of the Amended and Restated Development Agreement and this Amendment, the terms of this Amendment shall govern.

Section 7. Severability. If any provision of this Amendment should be determined by a court to be invalid or unenforceable, the remaining provisions of this Amendment shall remain in full force and effect and continue to be binding on both Parties.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment as of the date first written above.

“City”

CITY OF LOS ANGELES, a municipal corporation of the State of California

APPROVED AS TO FORM:
Carmen Trutanich,
City Attorney

By:
Antonio Villaraigosa, Mayor

By:
Laura Cadogan
Deputy City Attorney
DATE: _____, 2010

ATTEST:
June Lagmay, City Clerk

L.A. Arena Land Company, LLC
a Delaware limited liability company

By:
.....Deputy
DATE: _____, 2010

APPROVED AS TO FORM:

By:
Name: David A. Goldberg
of Latham & Watkins LLP

By:
Name: Ted Tanner
Title: Vice President

Counsel for L.A. Arena Land Company, LLC

Flower Holdings, LLC,
a Delaware limited liability company

APPROVED AS TO FORM:

By:
Name: David A. Goldberg
of Latham & Watkins LLP

By:
Name: Ted Tanner
Title: Vice President

Counsel for Flower Holdings, LLC

Olympic and Georgia Partners, LLC,
a Delaware limited liability company

By:
Name: Ted Tanner
Title: Vice President

LA Live Theatre, LLC
a Delaware limited liability company

By:
Name: Ted Tanner
Title: Vice President
LA Live Properties, LLC, a Delaware
limited liability company

By:
Name: Ted Tanner
Title: Vice President

FIDM Residential, Inc.

By:
Name:
Title:

Fig Central Fee Owner LLC, a Delaware
limited liability company

By:
Name: Oskar Brecher
Title: Authorized Signatory

APPROVED AS TO FORM:

By:
Name: David A. Goldberg
of Latham & Watkins LLP

Counsel for Olympic and Georgia Partners,
LLC

APPROVED AS TO FORM:

By:
Name: David A. Goldberg
of Latham & Watkins LLP

Counsel for LA Live Properties, LLC

By:
Name:
Counsel for FIDM Residential, Inc.

APPROVED AS TO FORM:

By:
Name: John W. Whitaker
of DLA Piper US LLP

Counsel for Fig Central Fee Owner LLC