
NEW HALL AND EVENT CENTER SECURITY AGREEMENT

among

CITY OF LOS ANGELES

and

GFA CO-OBLIGOR

and

L.A. EVENT CENTER, LLC

and

L.A. PARKING STRUCTURES, LLC

Dated as of _____, 2013

NEW HALL AND EVENT CENTER SECURITY AGREEMENT

This NEW HALL AND EVENT CENTER SECURITY AGREEMENT, dated as of _____, 2012, is among (i) the CITY OF LOS ANGELES, a municipality duly existing under its Charter and the Constitution and laws of the State of California (the "City"), (ii) L.A. EVENT CENTER, LLC, a Delaware limited liability company ("EventCo") and L.A. PARKING STRUCTURES, LLC, a Delaware limited liability company ("ParkCo," and together with EventCo, collectively hereinafter referred to as the "Developer"), and (iii) GFA CO-OBLIGOR, a _____ ("GFA Co-Obligor," and together with the Developer and the City are sometimes referred to each as a "Party" and collectively the "Parties").

R E C I T A L S

WHEREAS, the City, L.A. Convention Hall, LLC ("HallCo"), ParkCo and EventCo have heretofore entered into, or agreed to enter into, the Event Center Ground Lease dated as of _____, 20__ (the "Event Center Ground Lease"), the New Parking Structures Ground Leases dated as of _____, 20__ (the "Parking Ground Leases"), the New Hall Gap Funding Agreement dated as of _____, 20__ (the "Gap Funding Agreement"), [the New Hall Maximum Price Development Agreement dated as of _____, 20__ (the "New Hall Agreement"),] and the Implementation Agreement dated as of _____, 20__ (the "IA") (collectively, the "Related Agreements") pursuant to which the City proposes to lease to EventCo the Event Center site for the purposes of the development by EventCo of an event center, which will include a stadium sufficient to accommodate a National Football League team, concerts, sporting events and other entertainment uses, meeting and exhibit space (the "Event Center"), and to lease to ParkCo the New Parking Structures site on which ParkCo will construct new parking structures (the "New Parking Structures"), and is providing a variety of other accommodations thereunder, subject to the conditions contained therein, as described in the Event Center Ground Lease, the Parking Ground Leases, the Gap Funding Agreement and the IA; and

WHEREAS, the Event Center site is currently occupied by the West Hall of the Los Angeles Convention Center, which the City has engaged the Developer to replace with a new hall ("New Hall") to be constructed by HallCo on property adjacent to the existing South Hall pursuant to the New Hall Agreement; and

WHEREAS, the Developer has agreed to construct the New Parking Structures on the sites of the currently existing Bond Street property and the Cherry Street Garage (to be renamed the "L.A. Live Way Garage"); and

WHEREAS, it is contemplated by the Event Center Ground Lease, the Parking Ground Leases and the IA that the City will lease to EventCo the Event Center site and will lease to ParkCo the New Parking Structures site; and

WHEREAS, pursuant to the Event Center Ground Lease, the Parking Ground Leases, the Gap Funding Agreement and the IA, EventCo, HallCo, ParkCo, GFA Co-Obligor and the City have agreed upon their respective financial responsibilities with respect to the New Hall Project,

the Event Center Project, and the New Parking Structures Project and certain other costs and obligations; and

WHEREAS, the Developer has agreed to provide one or more letters of credit to secure, its obligations under the Related Agreements;

NOW THEREFORE, in consideration of the mutual promises contained herein and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in order to induce the City to perform its obligations hereunder and under the Event Center Ground Lease, the Parking Ground Leases, the Gap Funding Agreement and the IA, the Parties hereto agree as follows:

ARTICLE I. DEFINITIONS

Section 1.1 Certain Defined Terms. Capitalized terms used but not defined in this Attachment have the meanings ascribed thereto in the New Hall Gap Funding Agreement.

Section 1.2 Definitions.

“Bankruptcy Code” means Title 11 of the United States Code entitled “Bankruptcy” as now or hereafter in effect or any successor thereto.

“Closing Date” means the date the Lease Revenue Bonds are issued.

“Credit Enhancer” means a Financially Responsible Person who has provided one or more Developer LOC(s) to the City as contemplated by this Agreement.

“Developer” means EventCo, HallCo, and ParkCo, collectively.

“Developer LOC” has the meaning ascribed thereto in Section 2.1(a) below.

“Draw Event” means

(i) 10 Business Days prior to the expiration of a Developer LOC unless renewed or replaced prior to such 10 Business-Day period (unless no further Developer LOC is required pursuant hereto);

(ii) the credit quality of a Moody’s/S&P-Based Credit Enhancer shall fall below a long term unsecured rating of (x) A3 or A- by Moody’s and S&P respectively and a period of 90 days following any such reduced rating shall have passed or (y) Baa or BBB+ by Moody’s and S&P respectively and a period of 10 Business Days following any such reduced rating shall have passed;

(iii) either of Moody’s or S&P shall no longer be providing ratings with respect to a Moody’s/S&P-Based Credit Enhancer and a period of 10 Business Days following any such rating withdrawal shall have passed;

(iv) the occurrence of an Insolvency Event; or

(v) a Developer LOC is not reinstated to its original stated amount following a draw thereunder in accordance with Section 2.3.

“Event Center Ground Lease” means the Event Center Ground Lease dated as of _____, 201_ between the City as lessor and EventCo as lessee of the site of the Event Center, as such agreement may be amended, modified, supplemented or assigned from time to time in accordance with its terms.

“Event of Default” means (i) an Event of Default under the Gap Funding Agreement, or (ii) during Period One (as defined below) an Event of Default under any of the Related Agreements, or (iii) during Period Two (as defined below) an Event of Default in connection with the payment of Fixed Rent under the Event Center Ground Lease or the Parking Ground Leases.

“Financially Responsible,” with respect to any Person, means a Person with a net worth of in excess of \$1,000,000,000, as shown in the most recent financial statements of such Person published prior to the date of calculation and who has long-term unsecured credit ratings by Moody’s and S&P of A2 or better and A or better, respectively.

“Gap Funding Agreement” means the New Hall Gap Funding Agreement between the City and the Developer dated as of _____, 201_, as such agreement may be amended, modified, supplemented or assigned from time to time in accordance with its terms.

“Insolvency Event” means HallCo, EventCo, ParkCo or GFA Co-Obligor commences a voluntary case concerning it under the Bankruptcy Code; or an involuntary case is commenced against either HallCo, EventCo, ParkCo or GFA Co-Obligor under the Bankruptcy Code and relief is ordered against either HallCo, EventCo, ParkCo or GFA Co-Obligor, or the petition is controverted but is not dismissed within 60 days after the commencement of the case; or HallCo, EventCo, ParkCo or GFA Co-Obligor is not generally paying its debts as such debts become due; or a custodian (as defined in the Bankruptcy Code) is appointed for, or takes charge of, all or substantially all of the property of either HallCo, EventCo, ParkCo or GFA Co-Obligor; or HallCo, EventCo, ParkCo or GFA Co-Obligor commences any other proceeding under any reorganization, arrangement, readjustment of debt, relief of debtors, dissolution, insolvency, liquidation, or similar law of any jurisdiction whether now or hereafter in effect, relating to it; or there is commenced against either HallCo, EventCo, ParkCo or GFA Co-Obligor any such proceeding which remains undismissed for a period of 60 days; or either HallCo, EventCo, ParkCo or GFA Co-Obligor is adjudicated insolvent or bankrupt; HallCo, EventCo, ParkCo or GFA Co-Obligor fails to controvert in a timely manner any such case against it under the Bankruptcy Code or any such proceeding or any order of relief or other order approving any such case or proceeding or in the apportionment of any custodian or the like of or for it or any substantial part of its property, or suffers any such appointment to continue undischarged or unstayed for a period of 60 days; HallCo, EventCo, ParkCo or GFA Co-Obligor makes a general assignment for the benefit of creditors; or a receiver or trustee or other officer or representative of a court or of creditors, or any court, governmental officer, or agency, shall under color of legal

authority, take and hold possession of substantially all of the property or assets of HallCo, EventCo, ParkCo or GFA Co-Obligor for a period in excess of 60 days.

“Lease Revenue Bonds” or “LRBs” means the Los Angeles Convention and Exhibition Center Authority Lease Revenue Bonds, Series 2012-A.

“Mello-Roos Bonds” or “MRBs” means the Convention Center Community Facility District Mello-Roos Bonds.

“Moody’s” means Moody’s Investors Service, a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the services of a credit rating agency, then the term “Moody’s” shall be deemed to refer to any other nationally recognized credit rating agency reasonably selected by the City.

“Moody’s/S&P-Based Credit Enhancer” means a Credit Enhancer who met the requirements of a Financially Responsible Person on the basis of ratings issued by Moody’s and S&P.

“New Hall Agreement” means the New Hall Guaranteed Maximum Price Development Agreement between the City and the Developer dated as of _____, 201_, as such agreement may be amended, modified, supplemented or assigned from time to time in accordance with its terms.

“New Parking Structures” mean an approximately 928 space parking structure located on the Bond Street property and an approximately 3,000 space parking structure located on the former Cherry Street garage location fronting on L.A. Live Way (formerly known as Cherry Street).

“ParkCo” means LA Parking Structures, LLC, a Delaware limited liability Company.

“Parking Ground Leases” means, collectively, each of the ground leases by the City, as lessor, to L.A. Parking Structure, LLC, as lessee, of the sites of the New Parking Structures, as such agreement may be amended, modified, supplemented or assigned from time to time in accordance with its terms.

“Period One” has the meaning ascribed thereto in Section 2.1(a)(i).

“Period Two” has the meaning ascribed thereto in Section 2.1(a)(ii).

“Period Three” has the meaning ascribed thereto in Section 2.1(a)(iii).

“Related Agreements” means the Gap Funding Agreement, the New Hall Agreement, the Event Center Ground Lease, the Parking Ground Leases, and the IA, as each such agreement may be amended from time to time.

“S&P” means Standard & Poor’s Ratings Services, a business unit within Standard & Poor’s Financial Services, LLC, a limited liability company organized and existing under and by

virtue of the laws of the State of New York, and its successors or assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a credit rating agency, then the term "S&P" shall be deemed to refer to any other nationally recognized credit rating agency reasonably selected by the City.

ARTICLE II. LETTERS OF CREDIT

Section 2.1 Credit Enhancement.

(a) To support the payment of the Developer's obligations under the Related Agreements, on the Closing Date the Developer shall provide to the City one or more irrevocable standby letters of credit payable to the City issued by a nationally recognized Financially Responsible (A) United States bank, (B) United States branch of a foreign bank, or (C) a financial institution reasonably acceptable to the City ("Developer LOC(s)"). Each Developer LOC shall provide that the City (or the trustee for the Lease Revenue Bonds or the Mello-Roos Bonds with respect to a Developer LOC held in a debt service reserve fund) may draw upon the Developer LOC upon presentation of its sight draft(s) and other specified documents. The expiry date of the first Developer LOC shall not be prior to the end of Period One as defined below. The stated amounts of the Developer LOC shall be as follows.

(i) For the period beginning on the Closing Date through the date on which a professional football team (the "NFL Team") plays its first home game in the Event Center ("Period One"), the stated amount of the Developer LOC shall be \$50 million less (A) the amount up to \$10 million of a separate Developer LOC provided by the Developer payable to the trustee for the Lease Revenue Bonds to partially fund the Reserve Fund for the Lease Revenue Bonds, and (B) the amount up to \$4 million of a separate Developer LOC provided by the Developer payable to the trustee for the Mello-Roos Bonds to partially fund the Reserve Fund for the Mello-Roos Bonds.

(ii) For the three-year period following the NFL Team's first home game in the Event Center ("Period Two"), the stated amount of the Developer LOC shall be equal to the next two years' total combined debt service under the Lease Revenue Bonds and Mello-Roos Bonds immediately following the expiration of Period One less (A) the amount up to \$10 million of a separate Developer LOC provided by the Developer payable to the trustee for the Lease Revenue Bonds to partially fund the Reserve Fund for the Lease Revenue Bonds, and (B) the amount up to \$4 million of a separate Developer LOC provided by the Developer payable to the trustee for the Mello-Roos Bonds to partially fund the Reserve Fund for the Mello-Roos Bonds.

(iii) For the period following Period Two and ending with payment in full of all Lease Revenue Bonds ("Period Three"), the stated amount of the Developer LOC shall be \$5 million.

(b) Form of Developer LOC. The form and substance of the Developer LOC shall be subject to the approval of the City in its sole discretion. The City hereby agrees that the form of letter of credit attached as Exhibit A hereto is acceptable in form and substance to the City.

(c) Substitution. Upon not less than 5 Business Days' notice to the City, the Developer may substitute for any Developer LOC, one or more alternative Developer LOCs meeting the requirements of this Section 2.1, and the City will accept the same (and release the Developer LOC being replaced), provided it receives an opinion of counsel reasonably satisfactory to the City, dated the date of delivery of the substitute Developer LOC, as to the validity and enforceability thereof, subject in all cases to reasonable and customary exceptions, assumptions and limitations.

(d) GFA Co-Obligor. In the event Developer fails to provide a Developer LOC called for under this Section 2.1 or fails to cause the reinstatement of a Developer LOC pursuant to Section 2.3, the GFA Co-Obligor shall promptly provide such Developer LOC or cause the reinstatement of such Developer LOC or, in lieu of causing such reinstatement, provide a replacement Developer LOC meeting the requirements of this Section 2.1.

Section 2.2 Draws Upon the Developer LOC.

(a) Upon the occurrence of an Event of Default, the City may draw upon any Developer LOC (other than a Developer LOC payable to the trustee for the Lease Revenue Bonds or the Mello-Roos Bonds, which may be drawn on by the respective trustee in the event of an event of default under said respective bonds) in any order. In the event that a draw has been occasioned by a Draw Event, the City may draw upon the Developer LOC, and shall hold the amount of the draw in a segregated account until such time as the Developer LOC is renewed or replaced by a new Developer LOC meeting the requirements of Section 2.1(a), subject at all times to the right to apply the same hereunder if an Event of Default should occur; if, while the funds are so held by the City the Developer obtains a replacement Developer LOC meeting the requirements hereof, the City shall return to the Person from whom the draw was obtained all amounts remaining in the account including earnings and gains thereon.

(i) In the case of a draw occasioned by an Event of Default under any of the Related Agreements the City may draw or demand for payment as a "Payment Draw" the full Stated Amount of the Developer LOC.

(ii) In the case of a draw occasioned by an Insolvency Event, the City may draw or demand for payment as an Insolvency Draw the full Stated Amount of the Developer LOC.

(iii) In connection with any demand for payment or draw under the Developer LOC, the City shall provide to the Developer a certificate setting out the City's calculation of the amount of the requested demand or draw, including, without limitation, the amount of each item described above for such demand or draw event.

(b) Certain Draws. (i) In the event of any draw under the Developer LOC, the City shall be entitled to retain the amount of such draw in an interest-bearing account. The moneys in the account shall be available to satisfy any claims of the City arising from an Event of Default and, until so applied, shall be invested by the City in any one or more of the following at any time and from time to time: corporate securities or commercial paper rated at least A-1 and/or P-1 by Moody's and/or S&P, respectively; or corporate debt rated A or higher

by Moody's, S&P or Fitch; or United States Treasury obligations; or municipal bonds rated AA; or any mutual fund that invests solely in any of the foregoing. The party who subsequently is entitled to the amount on deposit in such account shall also receive any interest earned and shall take the risk of any loss on the investment while in such account.

(ii) Upon payment in full of the Lease Revenue Bonds and the Developer's payment in full of any Gap Funding Obligation (either the amount mutually agreed to by the City and the Developer as being the full and final payment, or the amount determined in an arbitration proceeding pursuant to Section 3.9 of the New Hall Gap Funding Agreement as being the amount of the full and final payment), and the passage of 150 days from the date of such full and final payment, the City shall promptly surrender to the issuer(s) the original of all outstanding Developer LOC's. If any Developer LOC would expire or otherwise terminate prior to the expiration of such 150-day period, the Developer shall extend or replace such Developer LOC in an amount equal to all payments made by the Developer to the City during the 91-day period immediately preceding such expiration or termination date. Such extension or replacement shall be for a period of at least 150 days from the date of the last payment to the City by the Developer. If the Developer fails to extend or replace such Developer LOC to the extent required by the immediately preceding sentence, the City shall have the right to draw under the Developer LOC as a Draw Event under subparagraph (i) of the definition of a "Draw Event."

Section 2.3 Reinstatement. Following any draw upon any Developer LOC, the Developer shall promptly, and in any event within ten Business Days, take such action as may be required to cause the Credit Enhancer(s) issuing such drawn upon Developer LOC(s) to reinstate each drawn upon Developer LOC to its initial stated amount as set forth in Section 2.1(a).

ARTICLE III. MISCELLANEOUS

Section 3.1 Indemnification by Developer. The Developer does hereby indemnify and agree to forever save and hold harmless the City, and its officers, agents and employees from and against any and all damages, claims, losses, demands, costs, expenses (including reasonable attorneys' fees and costs), obligations, liens, liabilities, actions and causes of action, threatened or actual, which any one or more of them may suffer or incur arising directly or indirectly with respect to the actions of the City hereunder, except to the extent attributable to the negligence or willful misconduct of the City.

Section 3.2 Notices, Demands and Communications between the Parties. Formal notices, demands, and communications between the City and the Developer shall be in writing and shall be deemed sufficiently given if dispatched by registered or certified mail, postage prepaid, return receipt requested, to the principal offices of the Developer, as designated in the IA, in which case they shall be deemed delivered three (3) Business Days after deposit in the United States mail. Such written notices, demands and communications may be sent in the same manner to other addresses, including Credit Enhancers hereunder and the Event Center Lender, as either Party may from time to time designate by mail as provided in this Section 3.2. Any Party may change its address or the name and address of its attorneys by giving notice in compliance with this Section 3.2.

Copies of notices to the City shall be given to:

The City of Los Angeles
200 North Spring Street, Room 255
Los Angeles, California 90012
Fax: (213) 473-5943
Attention: Chief Legislative Analyst

and

The City of Los Angeles
200 North Main Street, Suite 1500
Los Angeles, California 90012
Fax: (213) 473-7540
Attention: City Administrative Officer

and

The City of Los Angeles
City Attorney's Office
City Hall East
200 North Main Street
Los Angeles, California 90012
Fax: (213) _____
Attention: _____

Copies of notices to the Developer shall be given to:

L.A. Event Center, LLC
c/o AEG
800 West Olympic Boulevard
Suite 305
Los Angeles, California 90015
Fax: _____
Attention: Theodore Fikre, Esq.

and

L.A. Convention Hall, LLC
c/o AEG
800 West Olympic Boulevard
Suite 305
Los Angeles, California 90015
Fax: _____
Attention: Theodore Fikre, Esq.

and

[Counsel]

Fax: _____
Attention: _____

Section 3.3 Conflict of Interests. Conflicts of interest shall be governed by Section _____ of the IA.

Section 3.4 Nonliability of City Officials and Employees. Nonliability of City officials and employees shall be governed by Section ____ of the IA.

Section 3.5 Governing Law; Consent to Forum. This Agreement has been negotiated, executed and delivered at and shall be deemed to have been made in Los Angeles, California. This Agreement shall be governed by and construed in accordance with the laws of the state of California without reference to choice or conflicts of law. As part of the consideration for new value received, and regardless of any present or future domicile or principal place of business of HallCo, EventCo, ParkCo and GFA Co-Obligor or City, HallCo, EventCo, ParkCo and GFA Co-Obligor each hereby consents and agrees that the Superior Court of Los Angeles County shall have exclusive jurisdiction to hear and determine any claims or disputes pertaining to this Agreement or to any matter arising out of or related to this Agreement. HallCo, EventCo, ParkCo and GFA Co-Obligor each expressly submits and consents in advance to such jurisdiction in any action or suit commenced in court, and HallCo, EventCo, ParkCo and GFA Co-Obligor each hereby waives any objection which it may have based upon lack of personal jurisdiction, improper venue or forum non conveniens and hereby consents to the granting of such legal or equitable relief as is deemed appropriate by such court. HallCo, EventCo, ParkCo and GFA Co-Obligor each hereby waives personal service of the summons, complaint and other process issued in any such action or suit and agrees that service or such summons, complaint and other process may be made by registered or certified mail addressed to it at the address set forth in Section 3.2 and that service so made shall be deemed completed upon the earlier of its actual receipt thereof or 3 days after deposit in the U.S. mails, proper postage prepaid. Nothing in this Agreement shall be deemed or operate to affect the right of City to serve legal process in any other manner permitted by law, or to preclude the enforcement by City of any judgment or order obtained in such forum or the taking of any action under this Agreement to enforce same in any other appropriate forum or jurisdiction.

Section 3.6 No Third Party Beneficiaries. No person or entity other than HallCo, EventCo, ParkCo and GFA Co-Obligor and the City shall have any right, benefit or obligation under this Agreement as a third party beneficiary or otherwise.

Section 3.7 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated to the extent the essential purposes of the Parties can be satisfied.

Section 3.8 Interpretation. This Agreement shall be interpreted in accordance with its fair meaning and shall not be interpreted in favor of either the City or the Developer.

Section 3.9 Amendments and Waivers. This Agreement may only be amended in a writing signed by the City, HallCo, EventCo, ParkCo and GFA Co-Obligor. Any provision of this Agreement may only be waived in writing signed by the party against whom the waiver is to be effective.

Section 3.10 Conflict Between Agreements. In the event any of the provisions of this Agreement conflict with the provisions of any of the Related Agreements, the provisions of this Agreement shall prevail.

Section 3.11 Counterparts. This Agreement shall be executed in counterparts, each of which shall be an original, but all of which together shall constitute one and the same agreement.

Section 3.12 Entire Agreement, Merger. This Agreement including the attachments constitutes the entire understanding and agreement of the Parties as to the subject matters of this Agreement. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the Parties with respect to all or any part of the subject matter hereof. None of the terms, covenants, agreements or conditions set forth in this Agreement shall be deemed to be merged with the Related Agreements, and this Agreement shall continue in full force and effect before and after such conveyance or leasing.

Section 3.13 Successors and Assigns. This Agreement, together with the attachments attached hereto, or to be attached hereto shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and assigns provided, however, that the Developer may not transfer or assign any of its rights or delegate any of its duties hereunder without the prior written consent of the City.

Section 3.14 Joint and Several. The rights and obligations of EventCo, ParkCo and GFA Co-Obligor hereunder are joint and several in all respects.

IN WITNESS WHEREOF, the Parties here caused this New Hall and Event Center Security Agreement to be duly executed by their respective authorized officers as of the Effective Date.

“DEVELOPER”

L.A. EVENT CENTER, LLC,
a Delaware limited liability company

By: _____,
a Delaware corporation, its managing
member

Dated: _____

By: _____
[Name]
[Title]

L.A. PARKING STRUCTURES, LLC,
a Delaware limited liability company

By: _____,
a Delaware corporation, its managing
member

Dated: _____

By: _____
[Name]
[Title]

"CITY"

CITY OF LOS ANGELES

Dated: _____

By: _____

Name: _____

Title: _____

Approved as to Form:

Attest:

CARMEN A. TRUTANICH
CITY ATTORNEY

June Lagmay, City Clerk

By: _____

[Name]
Assistant/Deputy City Attorney

By: _____

Deputy

[GFA CO-OBLIGOR],

a _____

Dated: _____ By:

[Name]

[Title]

EXHIBIT A
FORM OF DEVELOPER LETTER OF CREDIT
[To Come]

EXHIBIT A
FORM OF DEVELOPER LOC

[Issuing Bank Letterhead]

Irrevocable Standby Letter of Credit No. _____

City of Los Angeles

Los Angeles, California 90012

Ladies and Gentlemen:

1. At the request and for the account of our customer, _____ (the "Developer"), we, _____ (the "Bank"), hereby establish in your favor this Irrevocable Standby Letter of Credit ("Letter of Credit"). Subject to the terms and conditions herein, this Letter of Credit authorizes you to draw on us an amount not exceeding _____ Million Dollars (\$ _____) (as increased, reinstated or reduced from time to time as provided herein, the "Stated Amount").

2. Subject to the other provisions of this Letter of Credit, you or any transferee hereunder may obtain the funds available under this Letter of Credit by presentment to us of your sight drafts drawn on the Bank at _____, accompanied by your certification substantially in the form of (i) Annex A (a "Default Draw"), or (ii) Annex B (a "Draw Event Draw", and each such demand and presentation, a "Drawing"). Your drafts honored by us under this Letter of Credit shall not exceed the Stated Amount available to you under this Letter of Credit.

3. Your sight draft in the form of Annex C hereto accompanied by your certification, as set forth in Paragraph 2 above, and presented in full compliance with this Letter of Credit at or before 4:00 p.m., Los Angeles, California time (hereinafter referred to as "Local Time") on a Banking Day (as defined below), will be honored by our payment to you or your designee of the draft amount in immediately available funds, no later than 2:00 p.m. Local Time, on the next Banking Day. If we receive your sight draft and the required certification in full compliance with the terms and conditions of this Letter of Credit after 4:00 p.m., Local Time, on a Banking Day, we shall honor your demand for payment not later than 2:00 p.m., Local Time, on the second succeeding Banking Day. The Bank agrees to honor all draws under this Letter of Credit with its own funds and not with any funds of the Developer. Unless otherwise instructed by you in writing, all payments to you hereunder shall be made by Federal wire transfer to your account at _____, Account No. _____, ABA No. _____, Reference: _____.

4. Each draft presented for payment against this Letter of Credit and the accompanying certification must be dated the date of its presentation to us, and may be presented only on a Banking Day. As used in this Letter of Credit, "Banking Day" shall mean any day other than a Saturday, Sunday, legal holiday or a day on which governmental offices in the State of California or banking institutions in the State of California are authorized or required to close. Drafts must be marked conspicuously "Drawn under _____ Irrevocable Standby Letter of Credit No.

_____." The certifications you are required to submit to us along with your sight draft should be prepared in the form of a letter on your letterhead signed by one who states herein that he or she is an authorized officer. Communications to us with respect to this Letter of Credit shall be in writing and shall be addressed to us at _____.

5. If your demand for payment does not, in any instance, conform to the terms and conditions of this Letter of Credit, we shall give you prompt notice that the purported demand was not effected in accordance with this Letter of Credit, stating the reasons therefor and that we are holding any documents at your disposal or are returning them to you, as we may elect. Upon being notified that the purported demand was not effected in conformity with this Letter of Credit, you may attempt to correct any such nonconforming demand for payment if, and to the extent that, you are entitled (without regard to the provisions of this sentence) and able to do so.

6. By paying you an amount demanded in accordance with this Letter of Credit, we make no representation as to the correctness of the amount demanded or your calculations and representations on the certificates required of you by this Letter of Credit.

7. This Letter of Credit shall expire on the earliest of: (i) the Stated Termination Date (as below defined), (ii) the date when the aggregate amount honored and paid by us hereunder, which is not subject to reinstatement, equals the Stated Amount, or (iii) the day on which this Letter of Credit is surrendered to the Bank, accompanied by a certificate substantially in the form of Annex E to this Letter of Credit. As used herein, the "Stated Termination Date" means _____, or any subsequent anniversary thereof to which such date has been extended pursuant to the next following sentence. It is a condition of this Letter of Credit that it shall be deemed automatically extended without amendment for one year from its current or any future expiry date unless not later than 60 days prior to any such date, we, the issuer, shall notify you (beneficiary) by registered mail or overnight courier service that we have elected not to renew this Letter of Credit for any additional period.

8. The Stated Amount of this Letter of Credit may be reduced not more than four times each year by providing the Bank a Certificate in the form of Annex F hereto, signed by both you and the Developer. The reduction in the Stated Amount shall be effective two business days after the Bank's receipt of any such Certificate.

9. To the extent not inconsistent with the express provisions hereof, this Letter of Credit shall be governed by and construed in accordance with the Uniform Customs and Practice for Documentary Credit--1993 Revision, ICC Publication No. 500, or any successor publication thereto (the "UCP"); provided, however, that: (a) notwithstanding the provisions of Article 17 of the UCP, if this Letter of Credit expires during an interruption of business (as described in Article 17 of the UCP), the Bank agrees to effect payment under this Letter of Credit if a drawing which strictly conforms to the terms and conditions of this Letter of Credit is made within fifteen (15) days after the resumption of business; (b) the Bank will not accept reproduced documents as originals as provided in Article 20(b) of the UCP; and (c) this Letter of Credit will not terminate because of a failure to make any permitted drawings hereunder as provided in Article 41 of the UCP. As to matters not covered by the UCP, this Letter of Credit shall be governed by the laws of the State of California, including, to the extent not inconsistent with the UCP, the Uniform Commercial Code as in effect in the State of California.

10. This Letter of Credit sets forth in full our undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or

agreement referred to herein, except only the Annexes and drafts referred to herein; and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except for such Annexes and drafts.

12. Anything to the contrary in Article 48 of the UCP notwithstanding, this Letter of Credit is transferable any number of times, but only in the amount of the full amount hereof and not in part. Transfer of this Letter of Credit to a transferee shall be effected by the presentation to us of this Letter of Credit accompanied by a request designating your successor in the form of Annex D (Transfer Demand) attached hereto, with the signature of the appropriate officer signing on your behalf guaranteed by another of any of your officers. Upon presentation and payment, we shall forthwith effect a transfer of this Letter of Credit to your designated transferee.

Very truly yours,

[_____]
[insert name and title of signatory of issuing bank]

ANNEX A
"DEFAULT DRAW"

Irrevocable Standby Letter of Credit No. _____

[_____

_____]

[insert name and address of issuing bank]

Ladies and Gentlemen:

We refer to your Letter of Credit No. _____ (the "Letter of Credit"). The undersigned, a duly authorized officer of the beneficiary of the Letter of Credit, such beneficiary initially being the City of Los Angeles (the "City" or "we"), hereby certifies to you that:

1. We are the beneficiary of the Letter of Credit.
2. *[select appropriate option]*

[An Event of Default has occurred and is continuing under the Gap Funding Agreement dated as of _____ (the "Gap Funding Agreement"), by and between the City, Developer and GFA Co-Obligor.]

[Note: Only applicable during Period One] [An Event of Default has occurred and is continuing under the _____ dated as of _____ *(insert the name and date of the applicable Related Agreement)*, by and between _____ *(insert the name of the parties to the applicable Related Agreement)*]

[Note: Only applicable during Period Two] [An Event of Default has occurred and is continuing in connection with the payment of "Fixed Rent" under that certain _____ dated as of _____ *(insert name of Event Center Ground Lease or applicable Parking Ground Lease)* by and between _____ *(insert name of Event Center Ground Lease or applicable Parking Ground Lease)*]

3. We hereby make demand under the Letter of Credit for payment of \$ _____, which is the amount the City is entitled to draw pursuant to the New Hall and Event Center Security Agreement dated as of _____ by and between the City, Developer and GFA Co-Obligor (the "Security Agreement").

4. The amount of the draft accompanying this Certificate does not exceed the Stated Amount available on the date hereof to be drawn under the Letter of Credit.

5. The Letter of Credit has not terminated prior to the time of the delivery of this Certificate and the accompanying draft.

6. Capitalized terms not otherwise defined herein shall have the respective meanings given such terms in the Security Agreement.

IN WITNESS WHEREOF, we have executed and delivered this Certificate as of the
_____ day of _____.

CITY OF LOS ANGELES, as Beneficiary

By: _____

Name: _____

Title: _____

ANNEX B
"DRAW EVENT DRAW"

Irrevocable Standby Letter of Credit No. _____

[
[
[

[insert name and address of issuing bank]

Ladies and Gentlemen:

We refer to your Letter of Credit No. _____ (the "Letter of Credit"). The undersigned, a duly authorized officer of the beneficiary of the Letter of Credit, such beneficiary initially being the City of Los Angeles (the "City" or "we"), hereby certifies to you that:

1. We are the beneficiary of the Letter of Credit.
2. The following Draw Event (as such term is defined in the New Hall and Event Center Security Agreement dated as of _____ (the "Security Agreement"), by and between the City, Developer and GFA Co-Obligor) has occurred and is continuing:

[select applicable option]

[The Letter of Credit will expire on _____ (the "Stated Termination Date"), which Stated Termination Date is ten (10) Business Days from the date hereof. The Developer has failed to provide a replacement Developer LOC as required under the Security Agreement.]

[The credit quality of _____ *[insert the name of the issuing bank]* has fallen below a long term unsecured rating of (i) "A3" or "A-" by Moody's and S&P, respectively, and a period of 90 days following any such reduced rating has passed, or (ii) "Baa" or "BBB+" by Moody's and S&P, respectively, and a period of ten (10) Business Days following any such reduced rating has passed.]

[Either of Moody's or S&P no longer provides ratings with respect to _____ *[insert the name of the issuing bank]* and a period of ten (10) Business Days following any such rating withdrawal has passed]

[An "Insolvency Event" pursuant to the Security Agreement has occurred.]

[The Letter of Credit has not been reinstated to its original stated amount following a draw thereunder in accordance with Section 2.3 of the Security Agreement]

3. We hereby make demand under the Letter of Credit for payment of \$ _____ which is the amount the City is entitled to draw pursuant to the Security Agreement.
4. The amount of the draft accompanying this Certificate does not exceed the Stated

Amount available on the date hereof to be drawn under the Letter of Credit.

5. The Letter of Credit has not terminated prior to the time of the delivery of this Certificate and the accompanying draft.

6. Capitalized terms not otherwise defined herein shall have the respective meanings given such terms in the Security Agreement.

IN WITNESS WHEREOF, we have executed and delivered this Certificate as of the _____ day of _____.

CITY OF LOS ANGELES, as Beneficiary

By: _____

Name: _____

Title: _____

ANNEX C
FORM OF SIGHT DRAFT
Irrevocable Standby Letter of Credit No. _____

[_____]
[_____]
[_____]

[insert name and address of issuing bank]

This sight draft is drawn under _____ *[insert name of issuing bank]*
Irrevocable Standby Letter of Credit No. _____ and is presented to you for the amount of
\$ _____ for the purposes set forth in the accompanying Certificate.

CITY OF LOS ANGELES, as Beneficiary

By: _____
Name: _____
Title: _____

ANNEX D
TRANSFER DEMAND

Irrevocable Standby Letter of Credit No. _____

[_____

_____]

[insert name and address of issuing bank]

Ladies and Gentlemen:

For value received, the undersigned beneficiary (the "Transferor") hereby irrevocably transfers to:

[Name of Transferee and Address]

(the "Transferee") all rights of the Transferor with respect to the above referenced Letter of Credit, including the right to draw under said Letter of Credit in the amount of the full unutilized balance thereof. Said Transferee has succeeded the Transferor under that certain New Hall and Event Center Security Agreement dated as of _____ (the "Security Agreement"), by and between us, the Developer and the Co-Obligor.

By virtue of this transfer, the Transferee shall have the sole rights as beneficiary of said Letter of Credit, including sole rights relating to any past or future amendments thereof, whether increases or extensions or otherwise. All amendments are to be advised directly to the Transferee without necessity of any consent of or notice to the Transferor.

By its signature below, the Transferee acknowledges that it has duly succeeded the Transferor as beneficiary of the Letter of Credit.

The advice of such Letter of Credit is returned herewith, and we ask you to endorse the transfer on the reverse thereof and to forward it directly to the Transferee with your customary notice of transfer.

IN WITNESS WHEREOF, we have executed and delivered this Certificate as of the _____ day of _____.

CITY OF LOS ANGELES, as Beneficiary

By: _____
Name: _____
Title: _____

Signature of the above party,
duly authorized to act on behalf
of _____ (*insert name of Transferor*), authenticated by:

By: _____
Name: _____
Title: _____

Acknowledged by _____ (*insert name of Transferee*) as Transferee

By: _____
Name: _____
Title: _____

ANNEX E
SURRENDER CERTIFICATE

Irrevocable Standby Letter of Credit No. _____

[_____

_____]

[insert name and address of issuing bank]

Ladies and Gentlemen:

We refer to your Letter of Credit No. _____ (the "Letter of Credit"). Any term which is defined in the Letter of Credit shall have the same meaning when used herein. The undersigned, a duly authorized officer of the beneficiary of the Letter of Credit, such beneficiary initially being the City of Los Angeles (the "City") hereby certifies to you that:

1. The City is the beneficiary of the Letter of Credit.
2. The City hereby surrenders the attached Letter of Credit to you.
3. The Letter of Credit is hereby terminated in accordance with its terms.
4. No payment is demanded of you in connection with this surrender of the Letter of Credit.

IN WITNESS WHEREOF, we have executed and delivered this Certificate as of the _____ day of _____.

CITY OF LOS ANGELES, as Beneficiary

By: _____
Name: _____
Title: _____

ANNEX F
CERTIFICATE REDUCING STATED AMOUNT OF LETTER OF CREDIT

Irrevocable Standby Letter of Credit No. _____

[_____]
[_____]
[_____]

[insert name and address of issuing bank]

Ladies and Gentlemen:

We refer to your Letter of Credit No. _____ (the "Letter of Credit"). Any term which is defined in the Letter of Credit shall have the same meaning when used herein. The undersigned, a duly authorized officer of the beneficiary of the Letter of Credit, such beneficiary initially being the City of Los Angeles (the "City") hereby certifies to you that:

1. The City is the beneficiary of the Letter of Credit.
2. The current Stated Amount of the Letter of Credit is \$ _____.

3. The City and the Developer hereby request the reduction of the Stated Amount of the Letter of Credit to \$ _____ upon receipt by you of this Certificate.

IN WITNESS WHEREOF, we have executed and delivered this Certificate as of the _____ day of _____.

CITY OF LOS ANGELES, as Beneficiary

By: _____
Name: _____
Title: _____

DEVELOPER:

L.A. EVENT CENTER, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

L.A. PARKING STRUCTURES, LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____