

ATTACHMENT K

Implementation Agreement and Other Agreements

IMPLEMENTATION AGREEMENT

among

CITY OF LOS ANGELES

and

L.A. EVENT CENTER, LLC

and

ARENA LAND CO, LLC

and

L.A. PARKING STRUCTURES, LLC

and

L.A. CONVENTION HALL, LLC

Dated as of _____, 2012

Implementation Agreement

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Attachments

- Attachment No. 1: Glossary of Terms
- Attachment No. 2: Site Map
- Attachment No. 3: L.A. Live Site Map
- Attachment No. 4: Contracting Requirements for New Hall
- Attachment No. 5-A: Event Center Approved Schematic Design
- Attachment No. 5-B: New Parking Structures Approved Schematic Design
- Attachment No. 5-C: New Hall Approved Schematic Design
- Attachment No. 6: Scope of Development
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- Attachment No. 8: Primary Venue Contract Terms
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Exhibits

- Exhibit A: Event Center Ground Lease
- Exhibit B-1: Bond Street Garage Ground Lease
- Exhibit B-2: L.A. Live Way Garage Ground Lease
- Exhibit C: Amended and Restated Master Reciprocal Easement Agreement
- Exhibit D: Event Center Development Agreement
- Exhibit E: New Hall Agreement
- Exhibit F: New Hall GFA
- Exhibit G: Security Agreement
- Exhibit H: Signage Agreement
- Exhibit I: Arena Ground Lease Amendment
- Exhibit J: Gilbert Lindsay Plaza Agreement
- Exhibit K: Construction and Staging License Agreement
- Exhibit L: Arena Development Agreement Amendment
- Exhibit M: LAESD Development Agreement Amendment

IMPLEMENTATION AGREEMENT

This Implementation Agreement (“IA” or “Agreement”) is entered into as of this ____ day of _____, 2012, by and among L.A. Arena Land Company, Inc., a Delaware corporation (“ArenaLandCo”), L.A. Convention Hall LLC, a Delaware limited liability company (“HallCo”), L.A. Event Center LLC, a Delaware limited liability company (“EventCo”), L.A. Parking Structures LLC (“ParkingCo”), and the City of Los Angeles, a California municipal corporation and charter city (“City”) (collectively the “Parties”).

Article I – Recitals

1.1 Effect of Recitals. These recitals set forth an overview of the Project and related transactions and are not intended to supersede any of the provisions of the New Hall Agreement, the Event Center Ground Lease, the New Parking Structures Ground Leases, the New Hall Gap Funding Agreement (“New Hall GFA”), the Security Agreement, the Amended and Restated Master Reciprocal Easement Agreement (“REA”), any additional Other Agreements or the Bond documents.

1.2 Defined Terms. All initially capitalized terms used and not defined in the primary sections of this IA shall have the meaning ascribed to them in the Glossary of Defined Terms attached hereto and incorporated herein as *Attachment No. 1*.

1.3 Purpose of the Agreement. The purpose of this IA is to effectuate the development, construction and operation of (i) a new, state-of-the-art, exhibit hall, meeting rooms and ancillary and supporting spaces (“New Hall”) to replace the spaces, functions, and facilities provided by the existing West Hall of the Los Angeles Convention Center (“Convention Center”), which is intended to be undertaken on behalf of the City by HallCo, an affiliate of Anschutz Entertainment Group, Inc., a Colorado corporation (“AEG”), and (ii) an event center, which will consist of a stadium sufficient to accommodate a National Football League (“NFL”) team, concerts and other sports and entertainment uses, meeting and exhibit space (“Event Center”), which is intended to be undertaken by EventCo, an affiliate of AEG, two new parking structures (“New Parking Structures”) which will provide parking for the Event Center, the Convention Center and the existing Arena (also known as the “Staples Center”), which are intended to be undertaken by ParkingCo, an affiliate of AEG. The construction of the New Hall is vital and in the best interests of the City to ensure the enhancement and success of the Convention Center. The development of the New Hall, Event Center and New Parking Structures (collectively, the “Project”) is intended to further the public purposes of the City by modernizing and enhancing the Convention Center, promoting development of jobs, increasing revenues to the City and securing additional entertainment, recreational and sporting facilities and opportunities within the City.

1.4 Parties. The Parties to this IA are as follows:

(a) The City. The City is a municipal corporation formed and existing under the laws of the State of California and the Charter of the City of Los Angeles. For the purposes of this Agreement and the Other Agreements, the principal office of the City is located at:

City Administrative Officer
1500 City Hall East
200 North Main Street
Los Angeles, California 90012
Attention: Debt Management Group

(b) The Developer of the Project. As more particularly described in this Agreement and the Other Agreements, the following entities, all of whom are affiliates of AEG, intend to respectively develop particular portions of the Project: HallCo, EventCo and ParkingCo (such entities may be referred to collectively herein as the “**Developer**”). The address for the Developer is as follows:

c/o AEG
800 West Olympic Boulevard, Suite 305
Los Angeles, California 90015
Attn: Ted Fikre, Esq.

(c) The Other Parties. The address for ArenaLandCo, the tenant under the Arena Ground Lease, is as follows:

L.A. Arena Land Company, Inc.
c/o AEG
800 West Olympic Boulevard, Suite 305
Los Angeles, California 90015
Attn: Ted Fikre, Esq.

1.5 Description of Site. The Site is the property consisting of the Arena Site, the Event Center Site, the New Hall Site, the New Parking Structures Site, and the Convention Center Site as illustrated on the Site Map attached hereto and incorporated herein as *Attachment No. 2*.

1.5.1 Arena Site. The Arena Site is illustrated on the map attached hereto as *Attachment No. 2*, and is described in the legal description attached to the form of Arena Ground Lease Amendment which is attached hereto as *Exhibit I*. The Arena Site is owned by the City and is under a long term ground lease to ArenaLandCo.

1.5.2 Event Center Site. The Event Center Site is illustrated on the map attached hereto as *Attachment No. 2*, and is described in the legal description attached to the form of Event Center Ground Lease which is attached hereto as *Exhibit A*. The Event Center Site is owned by the City and will be leased to EventCo.

1.5.3 New Hall Site. The New Hall Site is illustrated on the map attached hereto as *Attachment No. 2*, and is described in the legal description attached to the form of the New Hall Agreement which is attached hereto as *Exhibit E*. The New Hall Site, including the airspace parcel(s), is owned by the City and will remain its sole property for Convention Center use.

1.5.4 New Parking Structures Site. The New Parking Structures Site is illustrated on the map attached here to as *Attachment No. 2*, and is described in the legal description attached to the form of New Parking Structures Ground Lease attached hereto as *Exhibits B-1 and B-2*. The New Parking Structures Site is owned by the City and will be leased to ParkingCo.

1.5.5 Convention Center Site. The Convention Center Site is illustrated on the map attached hereto as *Attachment No. 2*. The Convention Center Site is owned by the City.

1.5.6 L.A. Live Site. The L.A. Live Site is illustrated on the map attached hereto as *Attachment No. 3*. The L.A. Live Site is owned by L.A. Live Properties, LLC, a Delaware limited liability company, an affiliate of AEG (“**L.A. Live Properties**”) and will be part of a Mello-Roos District that will provide a portion of the financing for the New Hall; provided however, the L.A. Live Site is not part of the defined “Site” for the Project.

1.6 Description of Project. The Project is intended to consist of the New Hall Project (also referred to as the “**Public Project**” which is a component of the Project), and the Event Center Project and the New Parking Structures Project (also collectively referred to as the “**Private Project**” which is a component of the Project). The Project is more particularly described as follows:

1.6.1 New Hall Project. The New Hall Project will (i) be designed, developed and constructed by HallCo for the City on the New Hall Site pursuant to and in accordance with this IA and the New Hall Agreement, prior to constructing the Event Center, (ii) consist of new convention center space for the City, and renovating and repurposing certain existing areas of the Convention Center, including all required infrastructure (including, but not be limited to, a relocated or replaced central utility plant), to replace the existing West Hall exhibition space, meeting spaces, special function spaces, kitchen, food court, offices, related ancillary spaces, outdoor event space, and exterior staging and storage areas being demolished or made part of the Event Center Ground Lease, and (iii) be substantially consistent with the schematic design for the New Hall (as identified in *Attachment 5-C*, the Approved Schematic Design plans, attached hereto) all as more fully described in the New Hall Agreement.

1.6.2 Event Center Project. The Event Center Project will (i) be designed, developed and constructed by EventCo as a private development, without the use of City funds,

pursuant to and in accordance with the Event Center Ground Lease and this IA, at EventCo's sole cost and expense, including hazardous materials and other environmental remediation and the demolition and removal of all the structures and infrastructure on the Event Center Site, (ii) consist of a structure which shall be sufficient to accommodate a wide variety of recreational, sporting and entertainment uses, including without limitation, NFL football, soccer, conventions and exhibitions, trade shows, concerts and other recreational, entertainment and sporting events, and (iii) be substantially consistent with the conceptual design for the Event Center (as identified in *Attachment 5-A*, the Event Center Approved Conceptual Drawings attached hereto), all as more fully described in the Event Center Ground Lease. The Event Center is designed to provide approximately 135,000 square feet of floor space at the event level and approximately 100,000 square feet of meeting space and other ancillary facilities for Convention Center use pursuant to and in accordance with the Event Center Ground Lease.

1.6.3 New Parking Structures Project. The New Parking Structures Project will (i) be designed, developed and constructed on the New Parking Structures Site pursuant to and in accordance with the New Parking Structures Ground Leases, by ParkingCo as a private development, without use of City funds, at ParkingCo's sole cost and expense, including the demolition, hazardous materials and other environmental remediation and removal of all structures and infrastructure on the New Parking Structures Site and on the underlying property, as needed, and (ii) consist of an at least 928 space parking structure located on the Bond Street property (the "Bond Street Garage") and an at least 3,000 space parking structure located on the former Cherry Street garage location fronting on L.A. Live Way (formerly known as Cherry Street) (the "L.A. Live Way Garage") to: (x) replace approximately 1,600 West Hall and 800 Cherry Street parking spaces, (y) provide approximately 4,000 total parking spaces for use in connection with Convention Center, Event Center, and Staples Center events, and (z) replace the truck marshaling, Convention Center event container staging, and parking space currently on the Bond Street property, all of which shall be substantially consistent with the schematic design for the New Parking Structures (as identified in *Attachment No. 5-B*, the New Parking Structures Approved Schematic Design plans attached hereto) all as more fully described in the New Parking Structures Ground Leases.

1.7 EventCo and NFL Team Relationship. It is intended that EventCo (or an affiliate of EventCo) will enter into a certain contract with the NFL Team as more fully described herein.

1.8 Economic Revitalization. The Project will continue the economic revitalization of downtown Los Angeles started with the development of the Staples Center on the Arena Site. It will also afford the City the opportunity to replace the aging West Hall which was originally opened in 1971. The replacement of the West Hall with a New Hall in a location and configuration that retains similar square footage in exhibition and meeting room space, maximizes contiguous space and adds a ballroom, combined with the ability to utilize the Event Center for additional exhibition and meeting room space, is necessary to improve the functionality and competitiveness of the Convention Center. Additionally, the development of the Event Center will create substantial short and long term employment as well as generate new revenue for the City, County and State.

1.9 Municipal Policy. The City Council has determined that encouraging economic development, including private investment which involves the creation of new jobs and income, and the attraction of City-wide Conventions and Events are valid and important public and municipal purposes and that the transactions set forth in this IA, including the leasing the Event Center Site and the New Parking Structures Site, further these public purposes. In addition, the City Council has determined that the provision of additional entertainment, sporting, and recreational opportunities serves important public purposes.

1.10 Consideration to City. The City has determined that if the Project is constructed and operated in accordance with the New Hall Agreement, the Event Center Ground Lease and the New Parking Structures Ground Leases and the Other Agreements, and an NFL team plays Substantially All Home Games at the Event Center for a period of no less than the longer of the term of the Bonds or 30 years from the “**Primary Term Commencement Date**” (as defined in the Event Center Ground Lease), the benefits accruing to the City as a result of the transactions contemplated by this IA and the Other Agreements, including without limitation, (i) enhanced business and resultant economic opportunities for the Convention Center, (ii) direct benefits such as revenues from Event Center-related parking, signage payments to be paid as special taxes, Arena Ground Lease Amendment extension payments, and increased revenues from property, sales, parking, business license, utility and hotel taxes, together with the Developer’s obligations under this IA and the Other Agreements, including the New Hall GFA and the Security Agreement, (iii) enhanced community benefits and (iv) creation of substantial new entertainment, recreational, and sporting opportunities for the public, all of which represent fair consideration for all of the obligations to be undertaken by the City as contemplated in this IA, including without limitation, the conveyance of leasehold interests in the Event Center Site and the New Parking Structures Site in accordance with the terms of the Event Center Ground Lease and the New Parking Structures Ground Leases and this IA, the easement and use rights in Gilbert Lindsay Plaza in accordance with the terms of this IA and the REA, and any other rights conveyed or obligations undertaken, or to be undertaken, by the City pursuant to the transactions contemplated by this IA and the Other Agreements.

1.11 Other Agreements. To carry out the Project, the Parties will, subject to the provisions of this IA, enter into other agreements, including but not limited to the following, all of which shall require execution as a precondition to closing:

1.11.1 Ground Leases. The City (i) will lease the Event Center Site to EventCo pursuant to and in accordance with the Event Center Ground Lease, which shall be substantially in the form of that attached hereto and made a part hereof as *Exhibit A*, and (ii) will lease the New Parking Structures Site to ParkingCo pursuant to and in accordance with the Bond Street Garage Ground Lease and the L.A. Live Way Garage Ground Lease which shall be substantially in the form of those leases attached hereto and made a part hereof as *Exhibit B-1* and *Exhibit B-2*, respectively. The Ground Leases shall set forth the terms and conditions under which EventCo and ParkingCo will respectively lease and develop these properties.

1.11.2 REA. The Parties will enter into an Amended and Restated Master Reciprocal Easement Agreement (the “**REA**”) substantially in the form attached hereto and made a part hereof as *Exhibit C*, which will amend and restate in its entirety the existing Reciprocal

Easement and Environmental Restriction Agreement among the City, The Community Redevelopment Agency of the City of Los Angeles, California, and ArenaLandCo, and will provide for various continuing covenants, conditions, restrictions and easements affecting the Convention Center, the Event Center, the Staples Center and the New Parking Structures.

1.11.3 Development Agreements. The City, ParkCo, and EventCo will enter into a Development Agreement pursuant to Government Code, Sections 65864 *et seq.* covering the Event Center Site (“**Event Center Development Agreement**”) substantially in the form of that attached hereto and made a part hereof as *Exhibit D*. The purpose of the Event Center Development Agreement is to permit the development of the Event Center Site in conformity with specified existing City rules, regulations, ordinances and policies, and to provide for the Admissions Charge and certain other matters. The City and ArenaLandCo will enter into an amendment to the existing Arena Development Agreement (the “**Arena Development Agreement Amendment**”) substantially in the form of that attached hereto and made a part hereof as *Exhibit L*. The City, L.A. Live Properties, ArenaLandCo, Flower Holdings, LLC, Olympic and Georgia Partners, LLC, L.A. Live Theatre, LLC, FIDM Residential Inc., and Fig Central Fee Owner LLC will all enter into an amendment to the existing Los Angeles Sports and Entertainment District Development Agreement (the “**LASED Development Agreement Amendment**”) substantially in the form of that attached hereto and made a part hereof as *Exhibit M*.

1.11.4 Minimum Scope/Guaranteed Maximum Price Contract. The City and HallCo will enter into a minimum scope/guaranteed maximum price contract (“**New Hall Agreement**”) substantially in the form of that attached hereto and made a part hereof as *Exhibit E*, for the design, development and construction of the New Hall. The New Hall Agreement shall set forth the requirements for the design and construction, including the Defined Minimum Scope of Development, for the New Hall in accordance with this IA and the terms of the New Hall Agreement.

1.11.5 Gap Funding Agreement. The City, EventCo, ParkingCo and an entity to be designated by EventCo pursuant to the terms of the New Hall GFA (the “**GFA Co-Obligor**”) will enter into a New Hall GFA substantially in the form of that attached hereto and made a part hereof as *Exhibit F*, which shall set forth the obligations of EventCo, ParkingCo, and the GFA Co-Obligor to make certain payments to the City in the event of any shortfall in specified revenues to pay debt service for City issued bonds in accordance with the terms of the New Hall GFA and this IA.

1.11.6 Security Agreement. The City, EventCo, ParkingCo and the GFA Co-Obligor will enter into a New Hall and Event Center Security Agreement (the “**Security Agreement**”) substantially in the form of that attached hereto and made a part hereof as *Exhibit G*, which sets forth the obligations of EventCo, ParkingCo and the GFA Co-Obligor to provide to the City certain letters of credit that may be drawn upon in the event of certain enumerated defaults under certain of the Other Agreements, all as more specifically set forth in this IA and the Security Agreement.

1.11.7 Signage Agreement. The City, L.A. Live Properties and EventCo will enter into a Signage Agreement (the “**Signage Agreement**”) substantially in the form of that attached hereto and made a part hereof as *Exhibit H*, which permits L.A. Live Properties, EventCo, and certain of their affiliates to use portions of the Convention Center property for signage and sets forth the terms and conditions of such use.

1.11.8 Arena Ground Lease Amendment. The City and ArenaLandCo will enter into an amendment to the existing Arena Ground Lease (the “**Arena Ground Lease Amendment**”) substantially in the form of that attached hereto and made a part hereof as *Exhibit I*, which shall amend the Arena Ground Lease in certain respects.

1.11.9 Gilbert Lindsay Plaza Use Agreement. The City, ArenaLandCo and EventCo will enter into a Gilbert Lindsay Plaza Use Agreement (the “**Gilbert Lindsay Plaza Agreement**”) substantially in the form of that attached hereto and made a part hereof as *Exhibit J*.

1.11.10 Construction License and Staging Agreement. The City and Developer shall enter into a Construction and Staging License Agreement (the “**Construction and Staging License Agreement**”) substantially in the form of that attached hereto and made a part hereof as *Exhibit K*.

1.11.11 Memorandum of Implementation Agreement. The Parties will enter into a Memorandum of this Agreement (the “**Memorandum of IA**”) substantially in the form of that attached hereto as Attachment No. 12.

1.12 Attachments to this Agreement. The following attachments to this IA are part of, and incorporated into, this IA:

- Attachment No. 1: Glossary of Terms
- Attachment No. 2: Site Map
- Attachment No. 3: Intentionally Omitted
- Attachment No. 4: Contracting Requirements for New Hall
- Attachment No. 5-A: Event Center Approved Conceptual Drawings
- Attachment No. 5-B: New Parking Structures Approved Schematic Design
- Attachment No. 5-C: New Hall Approved Schematic Design
- Attachment No. 6: Scope of Development
- Attachment No. 7: New Hall Defined Minimum Scope of Development
- Attachment No. 8: Primary Venue Contract Terms

- Attachment No. 9: Team Estoppel Certificate
- Attachment No. 10: Developer Estoppel Certificate
- Attachment No. 11: Method of Financing
- Attachment No. 12: Memorandum of Implementation Agreement
- Attachment No. 13: Phase I Hazardous Substance Investigations
- Attachment No. 14-A : Non-discrimination
- Attachment No. 14-B: Child Support Orders
- Attachment No. 14-C: Service Contract Worker Retention
- Attachment No. 14-D: Living Wage
- Attachment No. 14-E: Contractor Responsibility
- Attachment No. 14-F: Anti-Slavery Ordinance
- Attachment No. 14-G: First Source Hiring
- Attachment No. 14-H: Public Infrastructure Stabilization Ordinance
- Attachment No. 14-I: Local Business Preference Program
- Attachment No. 15: Target New Hall Budget

1.13 Exhibits to this Agreement. The following exhibits to this IA, all of which are in substantially final form, are part of, and incorporated into, this IA:

- Exhibit A: Event Center Ground Lease
- Exhibit B-1: Bond Street Garage Ground Lease
- Exhibit B-2: L.A. Live Way Garage Ground Lease
- Exhibit C: Amended and Restated Master Reciprocal Easement Agreement
- Exhibit D: Event Center Development Agreement
- Exhibit E: New Hall Agreement
- Exhibit F: New Hall GFA
- Exhibit G: Security Agreement
- Exhibit H: Signage Agreement
- Exhibit I: Arena Ground Lease Amendment
- Exhibit J: Gilbert Lindsay Plaza Agreement
- Exhibit K: Construction and Staging License Agreement
- Exhibit L: Arena Development Agreement Amendment
- Exhibit M: LASED Development Agreement Amendment

NOW, THEREFORE, with reference to the foregoing recitals, in consideration of the promises, covenants and agreements set forth in this IA and other good and valuable consideration, receipt of which is hereby acknowledged, the Parties hereby agree that each portion of the Site shall be held, improved, developed, conveyed, hypothecated, encumbered, leased, rented, used, operated and occupied subject to the limitations, restrictions, reservations,

agreements, rights, conditions and covenants set forth herein, to the extent made applicable to such portion of the Site by the terms of this IA (collectively, the “**Restrictions**”).

Subject to the terms hereof, these Restrictions shall run with and burden the Site, and shall be binding upon, and as applicable, inure to the benefit of the Site, or applicable portion thereof, each Person having or acquiring any right, title or interest in the Site, or applicable portion thereof, the City and their respective successors or assigns. The Parties hereby further agree as follows:

Article II – Effective Date; Term; Pre-Implementation Agreement Actions

2.1 Recitals; Document Interpretation. The Recitals are true and correct and are hereby incorporated by this reference. To the extent that such Recitals describe transactions more particularly set out below or in the Other Agreements or the Bond documents, the provisions below or in the Other Agreements or the Bond documents, as applicable, shall control, and to the extent the provisions below describe transactions in the Other Agreements or the Bond documents, the provisions of the Other Agreements or the Bond documents, as applicable, shall control. This Article II sets forth, among other things, the pre-implementation agreement actions which are a pre-requisite for the development and construction of the Project and the status of the completion of those actions.

2.2 Effective Date; Term; Amendment of IA. This IA is effective on the date (the “**Effective Date**”) which is the later of (i) the date this IA is executed by the last of the Parties hereto other than the City, or (ii) the date this IA is approved and executed by the City. The term of this IA shall begin on the Effective Date and end coterminous with the expiration or early termination of the Event Center Ground Lease, the Bond Street Garage Ground Lease, the L.A. Live Way Garage Ground Lease, or the Arena Ground Lease, whichever is the last to terminate (the “**Term**”). Upon completion of construction of the Project, at the request of any of the Parties, the Parties will (i) amend and restate this IA in order to delete therefrom those provisions that have ceased to be relevant because of Project Completion, (ii) provide satisfactory evidence to the Parties, each in their sole discretion, that liens and encumbrances subordinate to the original IA, if any, remain subordinate to the Amended and Restated IA, and (iii) execute, deliver and record such amended and restated IA, or memorandum thereof, and such other documents as are necessary or convenient to accomplish the foregoing purpose.

2.3 MOU. The Parties have previously entered into a Memorandum of Understanding, approved by the City Council on August 9, 2011, Council File No. 11-0023, (the “**MOU**”) which is expressly non-binding and whose provisions have no legal effect and are not to be used to interpret or otherwise construe any of the provisions of this IA, the Other Agreements, the Project, or the any part of the transaction.

2.4 EIR. At the time that the City approved this IA (the “**Approval Date**”), the City certified the final Environmental Impact Report (the “**FEIR**”) as complete. Immediately following certification of the FEIR, the City filed a notice of determination pursuant to the California Environmental Quality Act (“**CEQA**”).

2.5 Entitlements. Prior to the Approval Date, the Developer applied to the City for approval and/or issuance of the Initial Entitlements for the Project.

2.6 Private Project Scope of Development. The Developer, in conjunction with the City, has prepared and submitted to the City the Scope of Development for the Private Project, attached hereto as *Attachment No. 6*. The City has reviewed the Scope of Development and by approval of this IA has approved the Scope of Development.

2.7 New Hall Defined Minimum Scope of Development. HallCo, in conjunction with the City, has prepared and submitted to the City the New Hall Defined Minimum Scope of Development, attached hereto as *Attachment No. 7*. The City has reviewed the New Hall Defined Minimum Scope of Development and by execution of this IA has approved the New Hall Defined Minimum Scope of Development.

2.8 Conceptual Drawings; Schematic Designs. The Developer has prepared and submitted to the City the Conceptual Drawings and Schematic Designs, as applicable, for the Project. The Conceptual Drawings for the Event Center and the Schematic Designs for the balance of the Project have been approved by the City concurrently with the approval of this IA, it being understood that the City's subsequent review and approval of the Event Center schematic drawings (being the next phase of document design) shall be subject to the provisions of Article VII below. The Conceptual Drawings and Schematic Designs, as applicable, which are identified in *Attachment Nos. 5-A, 5-B and 5-C*, attached hereto, are incorporated by reference, and which will be kept in the Office of the Bureau of Engineering, Department of Public Works, City of Los Angeles.

2.9 Mello-Roos Districts. Prior to the Effective Date, the City has commenced to take such steps as are required for the formation of the Mello-Roos Districts.

2.10 AEG Affiliates Formation. Prior to the Effective Date, the City has received proof of formation of HallCo, EventCo and ParkingCo, all of which are affiliates of AEG, and the City has approved the formation documents for all three affiliates.

Article III – Pre-Conditions to Closing

3.1 Conditions Precedent to Conveyance of Ground Leases and Execution of the New Hall Agreement and the Other Agreements. The requirements set forth in this Article III are conditions precedent to the Closing, the leasing of the New Parking Structures Site to ParkingCo pursuant to the New Parking Structures Ground Leases, the leasing of the Event Center Site to EventCo pursuant to the Event Center Ground Lease and the execution of the New Hall Agreement and all of the Other Agreements; it being understood and agreed that by execution of this IA, the forms of all of these agreements, attached hereto as *Exhibits A through M, inclusive*, have been approved by the City in substantially final form.

3.2 Conditions for Benefit of All Parties. The conditions set forth in this Section 3.2 are for the benefit of all Parties and may be waived only by consent of all Parties, at each Party's respective sole discretion.

3.2.1 FEIR and Entitlements; Statute of Limitations Period. All time periods for legal challenge to the FEIR and the Entitlements have expired without any challenge being filed, or if a challenge was filed, a resolution of any such challenge to the satisfaction of the Parties to this IA has occurred.

3.2.2 Development Agreements. The form of the Event Center Development Agreement, the Arena Development Agreement Amendment and the LASED Development Agreement Amendment have each been agreed to by the City and the respective parties to each of such amended development agreements, final adoption of the ordinance or ordinances authorizing these amendments has occurred, and thirty-one (31) days have elapsed since the publication of the ordinance or ordinances and no referendum on such ordinance or ordinances are required.

3.2.3 Event Center Ground Lease. The form of the Event Center Ground Lease has been agreed upon by the City and EventCo.

3.2.4 New Parking Structures Ground Leases. The form of the New Parking Structure Ground Leases has been agreed upon by the City and ParkingCo.

3.2.5 REA. The form of the REA has been agreed to by the Parties.

3.2.6 New Hall Agreement. The form of the New Hall Agreement has been agreed upon by the City and HallCo.

3.2.7 Gap Funding Agreement. The form of the New Hall GFA has been agreed upon by the City and EventCo, ParkingCo and the GFA Co-Obligor.

3.2.8 Signage Agreement. The form of the Signage Agreement has been agreed upon by the City, EventCo and L.A. Live Way Properties.

3.2.9 Gilbert Lindsay Plaza Agreement. The form of the Gilbert Lindsay Plaza Agreement has been agreed upon by the City, ArenaLandCo and EventCo.

3.2.10 New Hall Guaranteed Maximum Price Contract and Approved Final Budget. HallCo has entered into and delivered to the City a binding “Guaranteed Maximum Price” construction contract with a third party contractor approved by the City (the “**New Hall Contractor**”) pursuant to which the New Hall Contractor has agreed to construct the New Hall in accordance with the New Hall Approved Schematics, the New Hall Defined Minimum Scope and the additional Public Project Documents for a guaranteed maximum price (the “**New Hall GMP**”) the amount of which guaranteed maximum price, together with the total amount of all those line items in the Approved Target New Hall Budget other than the line items identified as “New Hall Construction Cost” (which New Hall GMP plus such additional line items are referred to herein as the “**Approved Final New Hall Budget**”) is equal to or lesser than the sum (the “**Total Project Funds Available From Bond Issuance**”) of (i) the total amount of Lease Revenue Bonds which the City can issue (as mutually determined by the Parties based upon all

relevant factors at the time of determination, including without limitation, the then market conditions for the sale of similar bonds, the then market interest rates, and the anticipated sources of revenues defined in the New Hall GFA) and which will be available to fund Project Costs, plus (ii) the total amount of Mello-Roos Bonds which the City can issue (as mutually determined by the Parties based upon all relevant factors at the time of determination, including without limitation, the then market conditions for the sale of similar bonds, the then market interest rates, and the maximum agreed upon amount of special tax to be levied on the L.A. Live Properties Site and on EventCo's leasehold interest under the Event Center Ground Lease, all as determined concurrently with the determination of the New Hall GMP) and which will be available to fund Project Costs,. Notwithstanding anything herein to the contrary, if the Approved Final New Hall Budget is greater than the Total Project Funds Available From Bond Issuance in an amount not to exceed \$27,600,000, then in order to satisfy the condition set forth in this Section 3.2.10, the Parties agree that the additional costs will be funded in the following manner: (a) the City shall fund 50% of such costs up to \$13,800,000 to cover enhancements to the Convention Center that the Parties agree are included within the New Hall Defined Minimum Scope of Design, and (b) the balance of the additional costs, up to \$13,800,000, will be funded through a combination of sources to be determined by Developer in its sole discretion as follows: (i) charitable contributions to be raised by the Developer, or (iii) other sources approved by the City. Nonetheless, if there is still a shortage to pay for the New Hall Minimum Scope of Development, the Developer shall have the right, exercisable in its sole and absolute discretion, to (x) pay the cost of any such excess in connection with the construction of the New Hall, or (y) commit to pay annually during the term of the Bonds an additional annual amount in excess of the agreed-upon Enumerated Sources which would be sufficient to enable the City to increase the Total Project Funds Available From Bond Issuance to an amount equal to the Approved Final New Hall Budget; provided, however, that if Developer elects, in its sole discretion, not to exercise its rights under either (x) or (y) herein, then the condition to Closing set forth in this Section 3.2.10 shall be deemed to have failed.

3.2.11 Entitlements. All Initial Entitlements have been issued or approved.

3.2.12 No Pending Action. There is no action pending which, if adversely decided, would cause this IA, the Other Agreements, the Initial Entitlements, the Lease Revenue Bonds or the Mello-Roos Bonds to be illegal, unenforceable or invalid.

3.2.13 Releases from Encumbrances. The fee simple interest in the Event Center Site and the New Parking Structures Site have been released from the encumbrances of the Existing Leasehold Interests, if any. If required, the property interests of the Parties in Gilbert Lindsay Plaza have been released from the encumbrances of the Existing Leasehold Interests.

3.2.14 Bond Program. The City has approved defeasance of the Defeased Securities, as described in Section 11.8.2, and has submitted to EventCo evidence of the intent to issue, the following bonds (collectively referred to as the "**Bonds**"):

(a) Lease Revenue Bonds. Lease Revenue Bonds ("Lease Revenue Bonds") in the approximate par amount not to exceed \$268,350,000, of which \$228,700,000

shall be used for funding the construction and improvement of the New Hall and payable from lease payments from the City's General Fund,

(b) Mello-Roos Bonds. Mello-Roos Bonds ("**Mello-Roos Bonds**") in the total approximate par amount not to exceed \$122,951,000, of which \$109,750,000 shall be used for funding the construction and improvement of the New Hall and payable from a Special Tax levied on all non-exempt real property in the Mello-Roos Districts, and

(c) Additional Bonds. Such additional Bonds as may be required to be issued in order to satisfy the condition set forth in Section 3.2.10 above.

3.2.15 Mello-Roos Districts. The City has formed the Mello-Roos Districts.

3.2.16 Bankruptcy. None of the Parties to this IA shall be in voluntary or involuntary bankruptcy proceedings.

3.2.17 City's Rights Regarding Primary Venue Contract. The City has reviewed the Primary Venue Contract (as defined in the Event Center Ground Lease) and confirmed that the Primary Venue Contract satisfies the requirements set forth in *Attachment No. 8*.

3.2.18 Arts Program. The City and the Developer shall have agreed upon the Arts Program.

3.2.19 Construction and Staging License Agreement. The form of the Construction and Staging License Agreement has been agreed upon by the City and the Developer.

3.2.20 Security Agreement. The form of the Security Agreement has been agreed upon by the City and the Developer.

3.2.21 Arena Ground Lease Amendment. The form of the Arena Ground Lease Amendment has been agreed upon by the City and ArenaLandCo.

3.2.22 Memorandum of IA. The form of the Memorandum of has been agreed upon by the Parties.

3.3 Conditions for the Benefit of the City. The conditions set forth in this Section 3.3 are in addition to the representations or certifications provided pursuant to Article II and are for the benefit of the City and may be waived only by consent of the City in its sole discretion.

3.3.1 Representations and Warranties. The representations and warranties of the Parties to this IA other than the City as set forth in Section 14.1 of this IA remain true and correct in all material respects.

3.3.2 No Developer Default. There exists no condition, event or act which constitutes, or with notice and the passage of time would constitute, an Event of Default by the Parties to this IA other than the City.

3.3.3 Event Center Construction Loan. EventCo has closed a senior construction loan with a lender (an “**Event Center Lender**”) and in the form permitted hereunder and under the Event Center Ground Lease, to be used to finance, together with other committed sources of funds/equity as approved by Event Center Lender, the full total development cost for the construction of the Event Center, as evidenced by Event Center Lender’s or EventCo’s submittal to the Escrow Agent the fully executed construction loan leasehold deed of trust encumbering EventCo’s interest under the Event Center Ground Lease along with irrevocable escrow instructions to record such deed of trust concurrently with the recordation of the memorandum of the Event Center Ground Lease.

3.3.4 City Rights Regarding Ancillary Agreements. The City has reviewed the Developer’s Ancillary Agreements and confirmed that those agreements do not prevent the City from assuming the Ancillary Agreements subject to the rights of Qualified Leasehold Mortgagees.

3.3.5 Team Estoppel Certificate(s). EventCo has delivered the Team Estoppel Certificate(s) to the City from the NFL Team(s) (as defined in the Event Center Ground Lease) substantially in the form of *Attachment No. 9*, or in such other form as is reasonably satisfactory to the City, without statements of exceptions that would materially adversely affect the City’s rights under this IA or the Other Agreements.

3.3.6 Developer/EventCo Affiliate Estoppel Certificate. EventCo has delivered the EventCo/EventCo Affiliate Estoppel Certificate to the City in the form of *Attachment No. 10*, without statements of exceptions that would materially adversely affect the City’s rights under this IA or the Other Agreements.

3.3.7 Security for New Hall Gap Funding Agreement. EventCo, ParkingCo and GFA Co-Obligor have established and delivered to the City the security required to be provided under the New Hall GFA for the New Hall Gap Funding Obligations, meeting the requirements therefor set forth in the New Hall GFA and the Security Agreement.

3.3.8 Security for Construction of the New Parking Structures and the Event Center. EventCo and ParkingCo have provided to the City a completion guaranty from a guarantor acceptable to the City guaranteeing completion of the Event Center and the New Parking Structures in the condition which satisfies the construction requirements under the respective Event Center and New Parking Structure Ground Leases, and the City shall not unreasonably withhold its approval; provided, that the guarantor approved by the Qualified Leasehold Mortgagee who provides the construction loan for the construction of the Event Center shall be deemed approved by the City. Notwithstanding anything to the contrary, in any event, the completion guaranty provided pursuant to this Section 3.3.8 shall be of a nature that would remain in full force and effect, and City shall have full benefits and enforcement rights

thereunder, even if any or all of the Ground Leases has/have been terminated as the result of EventCo's or ParkingCo's respective default thereunder.

3.3.9 Insurance. EventCo and ParkingCo have furnished the City the types of insurance with appropriate limits which meet or exceed the insurance requirements set forth under the Ground Leases and the REA and in accordance with the requirements set forth in the Ground Leases and the REA.

3.3.10 Mello-Roos Districts. The Developer shall have caused L.A. Live Properties to agree to the formation of the LA Live Mello-Roos District and shall have agreed to the formation of the Event Center Mello-Roos District.

3.3.11 Private Use Analysis. The City shall have received a preliminary private use analysis from its Bond Counsel which concludes that the final design of the New Hall, the final terms of the Signage Agreement and the REA, and the other Developer uses of Convention Center property, taking into account existing and prior private uses of the existing Convention Center facilities, do not result in a requirement to defease Existing Securities beyond the Developer Defeasance Cap; provided, however, that Developer shall have the right, exercisable in Developer's sole discretion, to satisfy the condition set forth herein by paying such defeasance cost in excess of the Developer Defeasance Cap.

3.4 Conditions for the Benefit of the Developer. The conditions set forth in this Section 3.4 are for the benefit of the Parties to this IA other than the City and may be waived only by consent of same in its sole discretion.

3.4.1 Representations and Warranties. The representations and warranties of the City set forth in Sections 14.2 and 14.3 of this IA remain true and correct in all material respects.

3.4.2 No City Default. There exists no condition, event or act which constitutes, or with notice and the passage of time would constitute, an Event of Default by the City under this IA.

Article IV – Closing

4.1 Scope of Article. The provisions of this Article IV shall govern the specific procedures for the close of escrow for the lease of the Event Center to EventCo and the leases of the New Parking Structures to ParkingCo and the execution and delivery of the REA, New Hall GFA, the Security Agreement, the New Hall Agreement, the Signage Agreement, the Gilbert Lindsay Plaza Agreement, and all other applicable Other Agreements.

4.2 Time for Closing; Escrow. The Closing shall occur within ten (10) days following the date on which all of the conditions set forth in Article III have either been satisfied or waived by the relevant Party or Parties or such later date to which the Parties may agree but in

no event later than two (2) years after the Effective Date (the “**Outside Date**”). To accomplish the Closing, the Parties shall open an escrow with the Escrow Agent.

4.3 Closing Events. At the Closing, the Parties shall undertake to do or cause the following:

4.3.1 Development Agreements.

4.3.1.1 Event Center Site. The City, ParkingCo, and EventCo shall execute, deliver and record the Event Center Development Agreement as an encumbrance on the Event Center Site.

4.3.1.2 Arena Site. The City and ArenaLandCo shall execute, deliver and record the Arena Development Agreement Amendment as an encumbrance on the Arena Site.

4.3.1.3 L.A. Live Site. The City shall execute and deliver and the Developer shall cause all of the other parties thereto to execute and deliver and record the LASED Development Agreement Amendment as an encumbrance on the L.A. Live Site.

4.3.2 Event Center Ground Lease. The City and EventCo shall execute and deliver the Event Center Ground Lease for the Event Center Site and shall execute, deliver and record the Memorandum of Ground Lease.

4.3.3 New Parking Structures Ground Leases. The City and ParkingCo shall execute and deliver the Bond Street Garage Ground Lease and the L.A. Live Garage Ground Lease for the New Parking Structures Site and shall execute, deliver and record the Memorandum of each Parking Structure Ground Lease.

4.3.4 REA. The Parties shall execute, deliver and record the REA as an encumbrance on the Arena Site, the Event Center Site, the New Parking Structures Site and the Convention Center Site.

4.3.5 New Hall Agreement. The City, HallCo and EventCo shall execute and deliver the New Hall Agreement for the New Hall.

4.3.6 Gap Funding Agreement. The City, EventCo, ParkingCo and the GFA Co-Obligor shall execute and deliver the New Hall GFA.

4.3.7 Security Agreement. The City, EventCo, ParkingCo and the GFA Co-Obligor shall execute and deliver the Security Agreement.

4.3.8 Security. The Developer shall provide to the City the security required under the New Hall GFA and the Security Agreement.

4.3.9 Signage Agreement. The City shall execute and deliver, and the Developer shall cause L.A. Live Properties and EventCo to execute and deliver the Signage Agreement.

4.3.10 Gilbert Lindsay Plaza Agreement. The City, EventCo and ArenaLandCo shall execute and deliver the Gilbert Lindsay Plaza Agreement.

4.3.11 Amendment to Arena Ground Lease. The City and ArenaLandCo shall execute and deliver the Arena Ground Lease Amendment and shall execute, deliver and record the Memorandum of Arena Ground Lease Amendment.

4.3.12 Amendment to Existing Convention Center Lease Revenue Bond Leases. The site lease and facility lease for the Existing Securities shall be amended to remove the Event Center Site and all other required portions of the Site from such lease encumbrances and the Defeased Securities shall be Defeased.

4.3.13 Construction and Staging License Agreement. The City and the Developer shall execute and deliver the Construction and Staging License Agreement.

Article V – Escrow Provisions

5.1 Scope of Article. The provision of this Article V shall govern the general provisions for escrow for the Closing.

5.2 Escrow Procedures.

5.2.1 Joint Escrow Instructions. This IA constitutes the joint escrow instructions of the Parties to this IA and a duplicate original of this IA shall be delivered to the Escrow Agent upon opening of the escrow pursuant to Article IV of this IA.

5.2.2 Additional Escrow Instructions. The Parties to this IA shall provide such additional escrow instructions consistent with this IA as shall be necessary. The Escrow Agent hereby is empowered to act under this IA, and upon indicating its acceptance of this Section 5.2 in writing, to carry out its duties as Escrow Agent hereunder.

5.2.3 Delivery of Closing Documents. Each of the Parties shall execute and deliver such certificates and other customary closing documents as may be reasonably requested by any other Party to facilitate the Closing.

5.2.4 Recordation; Document Stamp. Upon delivery of the documents listed in Article IV, the Escrow Agent shall record such documents in accordance with these escrow instructions. In connection therewith, the Escrow Agent shall buy, affix and cancel any transfer stamps required by law.

5.2.5 Order of Recordation. At Closing, the Escrow Agent shall record the following documents in the exact order stated below in accordance with these escrow instructions:

- (a) The REA;
- (b) The Memoranda of the lease amendments to the Existing Convention Center Lease Revenue Bonds Leases described in Section 4.3.12 hereof;
- (c) The Event Center Development Agreement;
- (d) The Arena Development Agreement Amendment;
- (e) The LASED Development Agreement Amendment;
- (f) The Memorandum of the Event Center Ground Lease;
- (g) The Memoranda of the New Parking Structures Ground Leases;
- (h) The Memorandum of the Arena Ground Lease Amendment; and
- (i) The Memorandum of this Implementation Agreement.

5.2.6 Escrow Agent Fees. The Developer shall pay the following fees, charges and costs:

- (a) The escrow fee;
- (b) Recording fees;
- (c) Notary fees;
- (d) Cost of premiums for title insurance policies; and
- (e) Any state, County or City documentary stamps or transfer tax.

5.2.7 Escrow Agent Authorization. Upon written instruction from each of the Parties to this IA which confirms that all conditions to such Parties' obligation to close have been satisfied or waived and directs the Escrow Agent to proceed with the Closing, the Escrow Agent is authorized to:

- (a) Pay for any fees, charges and costs payable under Section 5.2 of this IA. Before such payments are made, the Escrow Agent shall obtain written approval from the all Parties to this IA of the fees, charges and costs necessary to close the escrow;

(b) Record the documents described in Section 5.2.5 above in the order specified therein; and

(c) Deliver conformed copies of all of the recorded documents, together with fully executed originals of the Event Center Ground Lease, the New Parking Structures Ground Leases, the New Hall Agreement, the Security Agreement, the Arena Ground Lease Amendment, the Implementation Agreement, the New Hall GFA, the Signage Agreement and the Gilbert Lindsay Plaza Agreement to the Parties to this IA.

5.2.8 Escrow Account. Funds received in this escrow, if any, shall be deposited by the Escrow Agent in a general escrow account with any state or national bank doing business in the State of California and may be combined with other escrow funds of Escrow Agent. Such funds may be transferred to any other such general escrow account or accounts.

5.2.9 Failure to Close Escrow. If any of the conditions to a Party's obligation to close pursuant to Article III above are not satisfied or waived at the time scheduled for closing, then such Party may, in writing, demand the return of its money, papers or documents from the Escrow Agent. Upon receipt of any such demand for return, the Escrow Agent shall mail copies of such demand to all of the other Parties at the address designated in this IA, section 1.4, and, if the unsatisfied conditions are not satisfied or waived within thirty (30) days after the other Party's receipt of such demand, the Escrow Agent shall return all relevant money, papers or documents to the demanding Party as instructed without the need for the consent or agreement of the other Party or Parties. If no such demands are made, the escrow shall be closed as soon as possible.

5.2.10 Amendments to Escrow Instructions. Any amendment to these escrow instructions shall be in writing and signed by all of the Parties to this IA. At the time of any amendment the Escrow Agent shall agree to carry out its duties as Escrow Agent under such amendment.

5.2.11 Communications. All communications from the Escrow Agent under this IA is limited to performance of the obligations imposed upon it under Articles IV and V of this IA.

5.3 Title Insurance. Concurrent with recordation of the Memorandum of the Event Center Ground Lease and the Memoranda of the New Parking Structures Ground Leases, Chicago Title Insurance Company or any other title insurance company satisfactory to the City, EventCo and ParkingCo (the "**Title Company**") shall provide and deliver to EventCo and ParkingCo title insurance policies insuring their respective leasehold interests in the condition required by the Event Center Ground Lease and the New Parking Structures Ground Leases. The Title Company shall provide a copy of the insurance policies to the City, and the title insurance policies shall be in the amount reasonably required by EventCo and ParkingCo. The City shall provide in writing to the Title Company any factual representations as may be reasonably requested by the Title Company in order to issue the title insurance policies in the condition required hereunder; provided, that all Parties acknowledge and agree that the City shall not be

required to remove from title that certain existing Joint Powers Agreement. All title insurance premiums shall be at EventCo's and ParkingCo's sole expense.

5.4 Taxes and Assessments. Ad valorem taxes and assessments, if any, on the Event Site or the New Parking Structures Site and taxes upon this IA or any rights hereunder levied, assessed or imposed as to any period after the Effective Date but prior to conveyance of the ground lease or possession, whichever occurs first, shall, if paid by the City be a Public Item Cost. All ad valorem taxes and assessments levied or imposed upon the Event Center Site, New Parking Structures Site, the Arena Site, or the L.A. Live Site, including possessory interest taxes and Mello-Roos taxes, as to any period after transfer of possession to the Developer shall be paid the Developer, the Arena Site Owner or the L.A. Live Site Owner, as applicable, in accordance to the terms of the Event Center Ground Lease, the New Parking Structures Ground Leases, the Arena Ground Lease and this IA.

5.5 Possession. Except as set forth in the Event Center Ground Lease, the New Parking Structures Ground Leases and this IA, the Event Center Site shall be leased to EventCo free of any possession and any right of possession except that of EventCo and the Parking Structures Site shall be leased to ParkingCo free of any possession and any right of possession except that of ParkingCo.

Article VI – Design Requirements of the New Hall

6.1 Development Rights and Responsibilities of HallCo. HallCo is responsible for the development of the New Hall Project, and shall have the right to perform the day-to-day duties that a prudent and conscientious developer of a facility such as the New Hall would exercise in soliciting, negotiating with, contracting with, and enforcing its rights to manage the New Hall Architect, the New Hall Project Manager, the New Hall Construction Contractor and such other parties as are necessary or appropriate for the development of the New Hall Project in accordance with this IA and the New Hall Agreement. Such rights shall not limit or impair the City's right to enforce remedies under any agreement to which it is a beneficiary, nor shall it relieve any person from any obligation to the City. The City expressly agrees that HallCo itself is not undertaking, or purporting to have the capacity to undertake, the construction of the New Hall Work, and the City is in no way relying directly on HallCo to act as a construction contractor or builder of the New Hall Project.

6.2 Development Responsibilities of HallCo. Subject to the approval and coordination rights of the City set forth in this IA, HallCo shall be responsible for all aspects of soliciting, entering into and managing the design, development and construction of the New Hall, and acknowledges its obligation and responsibility to the City for the proper performance of those obligations. In such capacity:

6.2.1 New Hall Architect. HallCo has selected the New Hall Architect to prepare New Hall Design Documents and the New Hall Construction Documents relating to the New Hall, and to perform construction administration and other administrative services in accordance with the New Hall Architect Agreement. This selection is hereby approved by the City. The New Hall Architect Agreement provides that HallCo shall have ownership of all

materials created by New Hall Architect for the New Hall Project including, but not limited to, all drawings, specifications, and other project documents solely in connection with the design, construction and maintenance of the New Hall Project, with the right to assign such ownership to the City. HallCo hereby assigns and agrees to assign such ownership to the City, and further agrees to execute any documents necessary to perfect and/or record such ownership.

6.2.2 New Hall Project Manager. HallCo has selected the New Hall Project Manager to act as HallCo's independent representative to assist HallCo in managing the development, design and construction of the New Hall Project in accordance with the New Hall Project Manager Agreement. This selection is hereby approved by the City. The New Hall Project Manager has no authority or responsibility to perform or supervise any construction work on the New Hall Project, or to enter into any contract or subcontract for the performance of such work for itself or on behalf of HallCo or the City. Except as otherwise set forth herein, the City will have no responsibilities, liabilities or obligations with respect to the New Hall Project Manager Agreement. The New Hall Project Manager Agreement provides that HallCo shall have ownership of all materials created by New Hall Project Manager for the New Hall Project including, but not limited to, all drawings, specifications, schedules, agreements, and other project documents solely in connection with the design, construction and maintenance of the New Hall Project, with the right to assign such ownership to the City. HallCo hereby assigns and agrees to assign such ownership to the City, and further agrees to execute any documents necessary to perfect and/or record such ownership.

6.2.3 New Hall Construction Contractor. HallCo has selected the New Hall Construction Contractor who will provide preconstruction services and act as construction contractor for the New Hall. This selection is hereby approved by the City. The New Hall Construction Agreement will provide and acknowledge that HallCo shall have ownership of all materials created by the New Hall Construction Contractor and its consultants for the New Hall Project, including, but not limited to, all drawings, specifications, and other New Hall Project documents, solely in connection with the design, construction and maintenance of the New Hall Project, with the right to assign such ownership to the City. HallCo hereby assigns and agrees to assign such ownership to the City, and further agrees to execute any documents necessary to perfect and/or record such ownership.

6.2.4 City Approval of Agreements. The City has reviewed the terms and conditions of the New Hall Architect Agreement, the New Hall Project Manager Agreement and the New Hall Construction Agreement. By entering into this IA, the City hereby approves and ratifies HallCo entering into the New Hall Architect Agreement, the New Hall Project Manager Agreement and the New Hall Construction Agreement; provided, however, that should the IA terminate prior to Closing, the City shall have no liability for any of these agreements. HallCo shall be responsible for the administration of the New Hall Architect Agreement, the New Hall Project Manager Agreement and the New Hall Construction Agreement, subject to the rights of the City, as provided herein.

6.2.5 Other Consultants. Subject to such cost limitations as will be set forth in the Final New Hall Project Budget, Legal Requirements, and the approval of the City, HallCo may select and retain such other contractors, consultants and professionals (each, a "**New Hall**

Contractor") as necessary or appropriate to develop the New Hall Project and to perform the New Hall Work so as to facilitate the timely design and construction of the New Hall Project.

6.2.6 Award of Contracts. HallCo shall be responsible for the solicitation, negotiation and award of the Contracts for the New Hall Work in accordance with the applicable Legal Requirements and the City Contracting Procedures. HallCo will prepare solicitation materials in form and content suitable for solicitation and negotiation, which materials will be made available to the City Construction Coordinators for review to confirm compliance with the City Contracting Procedures prior to distribution. HallCo will administer the selection processes, with the participation of the City Construction Coordinators, for the selection of contractors and suppliers to enter into the Contracts. HallCo will prepare and make any necessary public advertisements for Contracts, the cost of which shall be paid as part of the Final New Hall Project Budget. HallCo will further develop and administer, a "bid challenge" process, which process will be made available to the City Construction Coordinators for review to confirm compliance by HallCo with the City Contracting Procedures prior to implementation.

6.2.7 New Hall Master Project Schedule. HallCo shall prepare, or cause to be prepared, the New Hall Master Project Schedule setting forth the New Hall Construction Start Date, and time parameters required so that the New Hall Project will be Completed on or before the Target New Hall Completion Date, subject to extensions as a result of Force Majeure. Modifications of the New Hall Master Project Schedule which will require an extension of the Target New Hall Completion Date, or which are otherwise material, must be approved by the City, which approval will not be unreasonably withheld, conditioned or delayed.

6.2.8 Labor and Employment Issues. HallCo shall cause the New Hall Construction Contractor to negotiate and administer a Project Labor Agreement (the "**Project Labor Agreement**"), a copy of which shall be attached to the New Hall Agreement upon completion.

6.2.9 Insurance. HallCo will develop a comprehensive insurance program, subject to the approval of the City, identifying all insurance required to be maintained by or on behalf of HallCo, the New Hall Architect, the New Hall Project Manager, the New Hall Construction Contractor and any New Hall Contractor or subcontractor with respect to the New Hall Project at all times until Completion of the New Hall Project, and in appropriate instances, following Completion.

6.2.10 Permits and Legal Requirements. HallCo shall obtain all permits and approvals in addition to the Initial Entitlements necessary to construct the New Hall Project including demolition, grading and building permits. All applications for such permits and approvals shall be consistent with the approved Public Project Documents. HallCo shall not obtain a building permit for the New Hall until the City has approved the Final Construction Drawings for New Hall. Except to the extent that HallCo is unable to do so due to the City's failure to perform its obligations under this IA and the New Hall Agreement, HallCo shall comply with and keep in effect all New Hall Permits and other approvals obtained from any Governmental Authorities, regardless of the procurer of such New Hall Permits, that relate to the construction of the New Hall Project. HallCo shall comply with all existing and future Legal

Requirements, orders and requirements of all Governmental Authorities, judicial and legal authorities having jurisdiction over the New Hall Project and with all restrictions and agreements affecting the New Hall Project.

6.2.11 City as Beneficiary. The City shall be an intended beneficiary of any agreement entered into by HallCo hereunder and each such agreement shall so provide. Further, no agreement entered into by HallCo under this IA or the New Hall Agreement shall provide for arbitration of claims thereunder without the approval of the City.

6.3 Description of New Hall Project.

6.3.1 The New Hall Project. The Parties hereby agree, subject to the conditions, covenants and other obligations of this IA and the New Hall Agreement, that the New Hall Project shall consist of (i) a new state-of-the-art convention center exhibit hall and meeting facility to provide a functional replacement of the existing West Hall of the Convention Center that meets the New Hall Defined Minimum Scope of Development, (ii) on the New Hall Site located proximate to the existing South Hall and Concourse of the Convention Center and having a common boundary with the Event Center, and shown on the Site Plan attached hereto, *Attachment 1* and (iii) with the intention of being ready for occupancy on or about October 31, 2014 (the "**Target New Hall Completion Date**"), as such date may be extended in accordance with the terms of this IA and the New Hall Agreement. The design, development and construction of the New Hall on the New Hall Site and related work are referred to in this IA and the New Hall Agreement as the "**New Hall Project**".

6.3.2 Description of New Hall. The New Hall shall be designed and constructed as a state-of-the-art first class multi-purpose facility that (i) complies with applicable Legal Requirements, and (ii) meets the New Hall Defined Minimum Scope of Development so as to be comparable to spaces currently available in the West Hall and otherwise substantially similar to the design, construction and capabilities of the South Hall. The New Hall Defined Minimum Scope of Development provides that the New Hall shall be designed, constructed and equipped with state-of-the-art high quality materials throughout, including, but not limited to, fixtures, flooring, wall coverings, ceilings, lighting, all necessary mechanical, plumbing, air-handling and conditioning, electrical and other systems and finishes, in each case substantially similar to the quality of materials in the South Hall and Concourse Hall, or as otherwise agreed to by the City and HallCo. Notwithstanding anything herein to the contrary, the City hereby acknowledges and agrees that the City has approved the New Hall Schematic Design Documents, attached hereto as *Attachment No. 5-C*, with such additions as set forth in the New Hall Defined Minimum Scope of Development, attached hereto as *Attachment No. 7*.

6.3.3 Green Building Principles. HallCo shall manage the design, development and construction of the New Hall utilizing the U. S. Green Building Council's Leadership on Energy and Environmental Design ("LEED") Green Building Rating System as set forth in this Section 6.3.3. HallCo will commission the New Hall Architect, in consultation with the City, to examine each LEED credit utilizing the appropriate Green Building Rating System Project Checklist (the "**LEED Checklist**") as a template for establishing green building goals,

identifying potential LEED points, and examining strategies for implementation and determining the LEED points to be targeted in order to achieve a LEED Gold rating. The New Hall Defined Minimum Scope of Development includes a LEED Checklist on which the New Hall Architect has identified a sufficient number of points to achieve a LEED Gold rating. HallCo agrees to direct the New Hall Architect and the New Hall Construction Contractor to pursue all of the points so identified, and if any such points are determined to be unavailable based on advancement of the design by the New Hall Architect or the development of construction means and methods by the New Hall Construction Contractor, then HallCo shall direct the New Hall Architect and the New Hall Construction Contractor to identify replacement points for the review and approval of the City, taking into consideration both (a) energy and resource conservation opportunities that are beneficial to the City in its future use of the facility, and (b) the Parties' desire that the Final New Hall Project Budget should not exceed the Target New Hall Project Budget. The New Hall Architect will prepare, for approval by the City and by such Person as has been commissioned to evaluate LEED matters, a LEED Certification Plan, and during construction will perform LEED Certification services, pursuant to such standards as are set forth in AIA Document B214 -- 2004, and related documentation. HallCo shall direct the New Hall Architect to prepare the application for LEED certification for execution by the appropriate responsible party, to submit the application to the U.S.G.B.C. and to provide the resulting certification material to the City.

6.3.4. New Hall Master Project Schedule. HallCo shall prepare, or cause to be prepared, the New Hall Master Project Schedule setting forth the New Hall Construction Start Date, and time parameters required so that the New Hall Project will be Completed on or before the Target New Hall Completion Date, subject to extensions as a result of Force Majeure. Modifications of the New Hall Master Project Schedule which will require an extension of the Target New Hall Completion Date, or which are otherwise material, must be approved by the City, which approval will not be unreasonably withheld, conditioned or delayed.

6.3.5 Subcontracts. The City and HallCo hereby agree that all New Hall Subcontracts shall be awarded by the New Hall Construction Contractor, all in accordance with applicable Legal Requirements and the New Hall Construction Agreement. The New Hall Construction Agreement provides that the New Hall Construction Contractor shall cause to be performed by the applicable subcontractor, in full, all obligations under such subcontracts. The City will have no liabilities, responsibilities or obligations of any kind with respect to any subcontracts or supply contracts, and all subcontracts and supply, bid and contract documents will so provide, except as otherwise agreed by the parties.

6.3.6 Bonding. The New Hall Construction Agreement shall provide that the New Hall Construction Contractor furnish payment and performance bonds with HallCo and the City as co-obligees in an amount equal to either (i) the New Hall GMP, as established under Section 6.4.3, below, or (ii) an amount agreed to by the City and HallCo prior to the establishment of the New Hall GMP, together with any other bonds required pursuant to applicable Legal Requirements. All bonds which may be required hereunder shall conform to City requirements established by Charter, ordinance or policy, and shall be filed with the Office of the City Administrative Officer, Risk Management for its review and acceptance in accordance with Sections 11.47 through 11.56 of the Los Angeles Administrative Code.

6.4 Cost of the New Hall Project.

6.4.1 Target New Hall Project Budget. The City and HallCo have jointly developed the Target New Hall Project Budget, attached hereto as *Attachment No. 15*, which includes reasonable contingencies, including a three percent (3%) overall New Hall Project contingency. The Target New Hall Project Budget may be revised from time to time by HallCo, subject to the approval of the City, as the design, development and construction process for the New Hall progresses, provided that the total amount of the Target New Hall Project Budget shall not be decreased. Any savings realized in any one line item of the Target New Hall Project Budget may be applied by the City to excess costs in other line items, provided that the amounts attributable to Hard Costs shall not be decreased without the prior written approval of the City. HallCo and the City shall work together in good faith so that the development of the Final New Hall Project Budget within the Target New Hall Project Budget occurs.

6.4.2 Project Costs Defined. HallCo shall use its good faith efforts to ensure that the Final New Hall Project Budget takes into account the costs associated with the design, development and construction of a New Hall meeting the criteria described in, and established pursuant to, this IA and the New Hall Agreement, and includes, without limitation, the following (all of which are called "**Project Costs**"):

6.4.2.1 Soft Costs. All of the following soft costs (the "**Soft Costs**") incurred (whether prior or subsequent to the Effective Date) in connection with the design and construction of the New Hall:

(a) Eligible pre-development expenses previously incurred by the Developer in connection with preparing the Environmental Impact Report and preparing and obtaining other required Permits, in a sum not to exceed One Million Dollars (\$1,000,000), and the Advanced New Hall Project Costs as described in Section 11.12, below, with respect to the period prior to the Closing, as such sums are initially set forth in the Target New Hall Project Budget and to be set forth in the Final New Hall Project Budget. These sums will not be paid to HallCo until after, (a) the New Hall GMP is established and the City reviews and approves itemized costs set forth in the New Hall GMP, (b) the Final New Hall Project Budget is approved; (c) the New Hall Agreement is executed and (d) the City has issued the Bonds for the New Hall Project. After the foregoing occurrences, HallCo will be reimbursed from New Hall Project Funds after the City Construction Coordinators' review of invoices previously paid by the Developer;

(b) All costs and expenses under the New Hall Architect Agreement for architectural and design services associated with the design and construction of the New Hall, including, without limitation, all costs associated with the preparation of the New Hall Design Documents and New Hall Construction Documents by the New Hall Architect or other design professional, and for all services provided by specialty consultants as approved by the City Construction Coordinators;

(c) All costs and expenses for obtaining any New Hall Permits;

(d) All costs and expenses under the New Hall Project Manager Agreement for project management services associated with the development, design and construction of the New Hall;

(e) Oversight and other expenses incurred by the City with respect to the New Hall Project, currently estimated to be One Million Dollars (\$1,000,000), as set forth in the Target New Hall Project Budget; and

(f) All other costs and expenses which would be categorized as soft costs in accordance with industry standards in connection with the design and construction of a major construction project such as the New Hall as set forth on the Target New Hall Project Budget.

6.4.2.2 Hard Costs. All of the following hard costs (the "**Hard Costs**") incurred in connection with the design and construction of the New Hall:

(a) All costs and expenses incurred in completing the New Hall Work with respect to the New Hall, including, without limitation, all costs and expenses incurred in connection with the construction of any permanent improvements on the New Hall Site (exclusive of Site Work), the extension of any applicable utility lines or related equipment or improvements delivered to the Site and the New Hall and the interconnection of same to the New Hall, including, without limitation, any required utility vaults, switchgear, transformers, feeders, distribution equipment, telecommunication equipment, water and sewer connections and other related utility hookups such as chilled water connections, improvements or interconnection equipment, all costs and expenses paid to the Construction Contractor, with respect to the New Hall and all costs and expenses incurred in connection with constructing the New Hall, including without limitation all costs and expenses included in the New Hall GMP; and

(b) All costs and expenses, consistent with industry standards, incurred by HallCo in connection with the purchase and installation of all machinery, furnishings, fixtures and equipment required for the operation of the New Hall in conformity with the criteria contained in this IA and the New Hall Agreement, including without limitation, Section 6.1.

6.4.3 Final New Hall Project Budget. At the earliest appropriate time, taking into account the relationship between design certainty and achieving a cost-efficient New Hall GMP, HallCo shall cause the New Hall Construction Contractor to provide to the HallCo and the City, and the New Hall Construction Agreement will so provide, the New Hall GMP for construction of the New Hall and completion of the New Hall Work. The New Hall GMP will be determined based upon the New GMP Documents. Within fourteen (14) days after HallCo and the City receive the proposed New Hall GMP, the New Hall Construction Contractor, HallCo, HallCo's Representative, the New Hall Project Manager, the City Construction Coordinators, the City's Representative and the New Hall Architect shall meet to reconcile any questions, discrepancies or disagreements relating to the proposed New Hall GMP. Once HallCo and the City have both approved the New Hall GMP, HallCo and the New Hall Construction

Contractor will enter into an addendum to the New Hall GMP. As soon as reasonably practicable after the New Hall GMP has been agreed upon, HallCo shall deliver to the City a proposed Final New Hall Project Budget, which includes the New Hall GMP. The proposed Final New Hall Project Budget shall be inclusive of all New Hall Project Costs as described in Section 6.4.20 above, once reviewed and approved by the City it shall be the "**Final New Hall Project Budget**". If the actual New Hall Project Costs are less than the Final New Hall Project Budget, then the savings between the Final New Hall Project Budget and such actual costs will be retained by the City in accordance with the terms and conditions of the New Hall Agreement. After the Final New Hall Project Budget is established pursuant to Section 6.4.3, then HallCo shall be responsible for cost overruns as provided in the New Hall Agreement.

6.5. New Hall Project Approvals.

6.5.1. City Construction Coordinators. The City has appointed the General Managers of Convention Center, the Bureau of Engineering and the Bureau of Contract Administration, or their designees, as the City Construction Coordinators. They (and their respective successors as may be designated by the City) are authorized to act on behalf of the City with respect to the development and construction of the New Hall Project where so designated in this IA or the New Hall Agreement; except provided that, as set forth in Section 15.1.3, some matters may require City Council approval.

6.5.2 Approval Rights Regarding New Hall Contract Documents and New Hall Design Documents.

6.5.2.1. New Hall Contract Documents. All New Hall Contract Documents, including any amendments or changes thereto, shall require the City's prior written approval in accordance with this Section 6.5. HallCo shall cooperate with the City to provide the City with any information reasonably required by the City in connection with its review of the New Hall Contract Documents. In furtherance thereof, HallCo shall provide to the City, together with any New Hall Contract Documents submitted for the City's approval, a list or another manner of identification of the changes made from the previously approved New Hall Contract Documents and, if requested by the City, shall cause HallCo's Representative or the New Hall Project Manager to meet with the City Construction Coordinators to review such New Hall Contract Documents within the time periods provided for such approval. Those New Hall Contract Documents consisting of New Hall Construction Documents shall be submitted to the City Construction Coordinators as completed and at the same time that they are delivered to the City, and may be submitted in various stages of completion as is agreed between the respective representatives of the Parties. Notwithstanding the manner or timing of submission, each portion of all New Hall Contract Documents must be approved in writing by the City Construction Coordinators in accordance with this Section 6.5.2.1. No portion of the New Hall Contract Documents consisting of New Hall Construction Documents will be submitted for bidding and negotiation prior to being so approved by the City Construction Coordinators. The City Construction Coordinators will diligently review the New Hall Contract Documents as submitted and, provided that complete and accurate copies of all pertinent documents have been provided to the City, the City will approve or disapprove each respective submission (a) with respect to those New Hall Contract Documents consisting of New Hall Construction Documents, within the

time provided for in subsection (d)(iii) below, and (b) with respect to all other New Hall Contract Documents, within the time provided to HallCo in the New Hall Contract Documents for review of each such submission, or within such other time period as may be agreed between the City and HallCo. If the City Construction Coordinators do not either approve the New Hall Contract Documents submitted or disapprove the New Hall Contract Documents submitted within such periods, HallCo shall provide written notice to the City in accordance with Section 17.3 of this IA within five (5) business days the City Construction Coordinators must either approve, disapprove or request a reasonable extension, otherwise the New Hall Contract Documents as submitted shall be deemed to have been approved.

6.5.2.2. New Hall Design Documents. All New Hall Design Documents, including any amendments or changes thereto, shall require the City's prior written approval in accordance with this Section 6.5.2.2. HallCo shall cooperate with the City to provide the City with any information reasonably required by the City in connection with its review of the New Hall Design Documents. In furtherance thereof, HallCo shall cause the New Hall Project Manager and the New Hall Architect to meet with the City Construction Coordinators to review such New Hall Design Documents. The New Hall Schematic Design Documents shall be submitted to the City Construction Coordinators upon completion and the New Hall Design Development Documents shall be submitted to the City Construction Coordinators at both 50% and 100% completion for approval, which approval may, if applicable, be conditioned on the development of a cost estimate associated with such New Hall Design Documents that is reasonably consistent with the Target New Hall Project Budget. If, within such time as is set forth below, the City Construction Coordinators do not either approve or disapprove the New Hall Design Documents, either of which may include objections to any specific element of the New Hall Design Documents, then HallCo shall provide written notice to the City in accordance with Section 17.3 of this IA that within five (5) business days the City Construction Coordinators must either approve, disapprove or request a reasonable extension, otherwise the City Construction Coordinators shall be deemed to have approved the applicable New Hall Design Documents. Similarly, if the City Construction Coordinators object only to certain specified elements in the applicable New Hall Design Documents, the elements to which they do not object shall be deemed to have been approved. The City Construction Coordinators shall use reasonable efforts to provide to HallCo, within the periods set forth on the New Hall Master Project Schedule, but in any event within a period of thirty (30) calendar days after receipt of the New Hall Schematic Design Documents and within a period of thirty (30) calendar days after receipt of New Hall Design Development Documents, either approval or detailed comments setting forth the reasons that the City Construction Coordinators have determined that the applicable New Hall Design Documents should not be approved. If the City Construction Coordinators fail to respond within such periods, then HallCo shall provide written notice to the City in accordance with Section 17.3 of this IA that within five (5) business days the City Construction Coordinators must either approve, disapprove or request a reasonable extension otherwise their failure to respond shall result in a deemed approval. If HallCo disagrees with any of the City Construction Coordinators' comments, then HallCo shall meet with the City Construction Coordinators to resolve any items in dispute to their reasonable satisfaction and each shall use good faith efforts to resolve any disagreements in an expeditious manner so as not to delay production of the New Hall Design Documents. HallCo shall cause the New Hall Architect to either revise the applicable New Hall Design Documents or, with the approval of the

City Construction Coordinators, incorporate appropriate revisions into the next draft of the pertinent New Hall Design Documents to address the comments raised. The New Hall Design Documents shall be submitted to the City Construction Coordinators for their review and approval as provided above.

6.5.2.3. New Hall Construction Documents. Upon the City's approval of the New Hall Design Documents, HallCo shall cause the New Hall Architect to prepare New Hall Construction Documents based on the approved New Hall Design Documents. New Hall Construction Documents shall be submitted to the City Construction Coordinators in appropriate packages and at appropriate intervals so as to facilitate the timely design and construction of the New Hall Project for approval, which approval may, if applicable, be conditioned on the development of a cost estimate associated with such New Hall Construction Documents that is reasonably consistent with the Target New Hall Project Budget. The City Construction Coordinators shall receive, review and approve the New Hall Construction Documents as the same are prepared, simultaneously with submission thereof to HallCo; provided that a full construction document review shall be conducted at the time that Construction Documents are 50% complete with the understanding that Construction Document development progress will continue in parallel with the review. The City Construction Coordinators shall exercise reasonable efforts to complete their review and approval within the periods set forth in the New Hall Master Project Schedule, but in any event within thirty (30) calendar days from the receipt of the New Hall Construction Documents, and any supplements or revisions. If the City Construction Coordinators fail to respond within such thirty-day period, then HallCo shall provide written notice to the City in accordance with Section 17.3 of this IA that within five (5) business days the City Construction Coordinators must either approve, disapprove or request a reasonable extension, otherwise their failure to respond shall result in a deemed approval. When the New Hall Construction Documents are sufficiently complete so as to be provided to the New Hall Construction Contractor for preparation of the GMP in accordance with the New Hall Construction Agreement, those will be submitted to the City Construction Coordinators simultaneously with submission to HallCo and the New Hall Construction Contractor. The City Construction Coordinators shall review the New Hall Construction Documents for the purposes of confirming that they comply with the applicable New Hall Design Documents and any subsequent changes agreed to between the City Construction Coordinators and HallCo. HallCo shall cause the New Hall Architect or other design professional to coordinate with the New Hall Construction Contractor to organize the New Hall Construction Documents in such a manner as to prepare documents for bidding and negotiation.

6.5.2.4. Changes of Agreements with the New Hall Architect, the New Hall Project Manager and the New Hall Construction Contractor and the New Hall Construction Documents. All amendments or changes to the terms of the New Hall Architect Agreement, the New Hall Project Manager Agreement or the New Hall Construction Agreement and any changes to the New Hall Construction Documents shall require the City's written approval. HallCo shall submit to the City Representative for review and approval any such proposed change. The City Representative shall have ten (10) business days to approve or disapprove, with specific reasons for disapproval, any change to the New Hall Architect Agreement, the New Hall Project Management Agreement or the New Hall Construction

Agreement, and twenty (20) calendar days to approve any change to the New Hall Construction Documents. If the City Representative shall fail to approve or disapprove any such change within such periods, HallCo shall provide written notice to the City in accordance with Section 17.3 of this IA that within five (5) business days the City Representative must either approve, disapprove or request a reasonable extension, otherwise the change shall be deemed to have been approved.

6.5.2.5. Information related to Approvals. HallCo shall cooperate with the City to provide the City with any information reasonably required by the City in connection with its determination as to whether to grant approvals. In furtherance thereof, in each case where the City's approval is required under this IA, HallCo shall provide written notice to the City of the time within which such approval is required and, if requested by the City, HallCo shall cause HallCo's Representative and the New Hall Project Manager to meet with the City Construction Coordinators to review any such matters requiring the City's approval within the time period required of the City for such approval. In any circumstance where the City's approval is required or authorized hereunder, provided that all documents and materials reasonably necessary to determine whether such approval should be given have been delivered on a timely basis, if the City fails to grant or deny such approval within such period as may be required by any New Hall Construction Document, or if no such period is specified, within thirty (30) calendar days, then HallCo shall provide written notice to the City in accordance with Section 17.3 of this IA that within five (5) business days the City must either approve, disapprove or request a reasonable extension otherwise the City shall be deemed to have granted its approval, or in the event of an emergency, not more than ten (10) days. Whenever the City's or the City Construction Coordinators' approval is required hereunder, the City and the City Construction Coordinators shall give reasonable and appropriate due consideration to the following factors: (a) the extent to which the applicable New Hall Construction Documents or New Hall Design Documents are consistent with the previously approved New Hall Construction Documents or New Hall Design Documents, as the case may be, and (b) to the extent that such approval is required for any new details set forth in any applicable New Hall Construction Documents or New Hall Design Documents, whether such new details are required to comply with any Legal Requirements, or the City Contracting Procedures, or are substantially similar to the design, construction and capabilities of the South Hall. Without limitation of the foregoing, the City hereby acknowledges that any approval hereunder by the City or the City Construction Coordinators shall not be unreasonably denied or delayed, if the requested approval is necessary: (1) to cause the New Hall to comply with Legal Requirements; (2) for any applicable New Hall Construction Documents or New Hall Design Documents to describe a New Hall that meets the New Hall Defined Minimum Scope of Development in accordance with Section 6.3.1, above; or (3) so as to not materially impede or otherwise adversely affect the proper construction of the New Hall in accordance with the New Hall Master Project Schedule in such a manner that Completion would be delayed beyond October 31, 2014. If either the City or the City Construction Coordinators, as applicable, denies approval of any matter requiring its approval under this Agreement, the City shall state with specificity, in writing, its reason for such denial. If the City shall fail to give a timely approval or disapproval with respect to any matter for which its approval is required hereunder, then HallCo shall provide written notice to the City in accordance with Section 10.8 of the New Hall Agreement that within five (5) business days the City must either approve, disapprove or request a reasonable extension otherwise HallCo shall

have the right to proceed without such approval. In such case, HallCo shall provide written notice to the City that it is proceeding without such approval, and the manner and direction in which HallCo is proceeding.

6.6 Nature of Approvals. The approvals of the Public Project Documents pursuant to this Article VI represent the approval of the City acting in its Proprietary Capacity. Nothing in this Article VI is intended to limit the discretion of the City in reviewing any plans for the New Hall in the City's Governmental Capacity including any City permits or approvals specified in Section 6.5.

6.7 Art Program. In development of the Public Project Documents, HallCo shall include public art elements for the New Hall Project consistent with the Arts Program.

Article VII – Design Requirements of the Event Center and the New Parking Structures

7.1 Scope of Article. EventCo shall develop plans for the Event Center and ParkingCo shall develop plans for the New Parking Structures and each of them shall obtain approval for those plans in accordance with the provisions this of Article VII.

7.2 Description of Event Center Project and New Parking Structures Project.

7.2.1 Facilities at the Event Center Site. Following the construction of the New Hall, the Developer shall develop and construct on the Event Center Site, a first-class, state-of-the-art, event center as described in Section 1.6 and the Event Center Ground Lease. The uses permitted on the Event Center Site shall be (i) the development and operation of the Event Center and (ii) all other lawful uses permitted by the Event Center Ground Lease but excluding gun shows or the sale of guns or ammunition.

7.2.2 Facilities at the New Parking Structures Site. Prior to the demolition of the West Hall, ParkingCo shall develop and construct the L.A. Live Way Garage and, prior to, or concurrent with, the construction of the Event Center, ParkingCo shall develop and construct the Bond Street Garage.

7.3 Event Center and New Parking Structures Project Architect. EventCo will select an architect for the Event Center in accordance with the terms of Section 5.4.2 of the Event Center Ground Lease (the "**Event Center Architect**"). ParkingCo will select an architect for the New Parking Structures Project in accordance with the terms of Section 5.4 of the New Parking Structures Ground Leases (the "**New Parking Structures Architect**"). The Parties acknowledge that EventCo is responsible for the design of the Event Center, and ParkingCo is responsible for the design of the New Parking Structures, and that EventCo and ParkingCo, respectively, have ultimate control over all design and construction decisions for the Event Center and the New Parking Structures, subject only to (i) the design approval rights of the City set forth in this IA, (ii) compliance with all applicable Laws, and (iii) compliance with terms and conditions of the Event Center Ground Lease and the New Parking Structures Ground Leases, as applicable.

7.4 Conformity with the Law. EventCo and ParkingCo each agree that the design of the Event Center and the New Parking Structures, respectively, shall be subject to the requirements of applicable federal, state and local law (except as provided otherwise in the Event Center Development Agreement), including, without limitation, any design review and approval rights the City may have in its Governmental Capacity under applicable law. In addition to the foregoing, the Parties agree that the City, acting in its Proprietary Capacity, shall have the design and review rights and approval rights set forth in this Article VII.

7.5 Design Conformity with Scope of Development and Schematic Design. In designing and constructing the Event Center and the New Parking Structures, EventCo and ParkingCo, respectively, shall cause all subsequent design elements to be consistent with the Scope of Development and the Approved Conceptual Drawings or Approved Schematic Designs, as applicable.

7.6 Project Documents. EventCo shall cause the Event Center Architect to proceed diligently to prepare design development and construction documents for the Event Center which are consistent with the Approved Event Center Conceptual Drawings and Section 1.2 of the Event Center Ground Lease. ParkingCo shall cause the Parking Structures Architect to proceed diligently to prepare design development and construction documents for the New Parking Structures which are consistent with the Approved New Parking Structures Schematics and Section 1.2 of the New Parking Structures Ground Lease.

7.7 Specific Requirements. In designing and constructing the Event Center and the New Parking Structures, EventCo and ParkingCo, respectively, shall seek to achieve the following goals, within the framework of (i) then-approved Private Project Documents and (ii) the fact that placing the Event Center immediately adjacent to the existing Convention Center and New Hall will have natural and potentially adverse impacts upon the operation of the Convention Center which the Parties will seek to mitigate through design and operational methods, but which the Parties agree are inevitable given the location, size and intensity of uses planned at the Event Center and the Staples Center:

(a) To design an Event Center and the New Parking Structures that are architecturally compatible with the Convention Center;

(b) To identify and design new areas for delivery and bus, taxi and shuttle bus staging and drop-off, for the Staples Center and for the Event Center so as to prevent interference with Convention Center operations in any material respect;

(c) Not to permit interference with vehicular or pedestrian access to any Convention Center entrance in material respect;

(d) To retain Gilbert Lindsay Plaza as a pedestrian-friendly gathering place;

(e) Not to materially adversely affect operations of the Convention Center, materially increase the costs of such operations, or materially reduce the desirability of the Convention Center for its intended use; and

(f) To provide and maintain perimeter landscaping.

7.8 Submittal and Review of Design Documents.

7.8.1 Design Development Drawings. Design Development Documents for the Event Center and New Parking Structures will be prepared based on the Approved Conceptual Drawings and Approved Schematics, as applicable. If, within such time as is set forth below, the City does not, subject to Section 7.9 below, properly object to any element of the Design Development Documents, then the City shall be deemed to have approved the applicable Design Development Documents. Similarly, if the City objects only to certain specified elements in the applicable Design Development Documents, the elements to which it does not object shall be deemed to have been approved. The City shall provide to EventCo or ParkingCo, as the case may be, within a period of thirty (30) days after receipt of the Design Development Documents either approval or detailed comments setting forth the reasons that the City has determined that the applicable Design Development Documents should not be approved. The failure of the City to respond within such period shall result in a deemed approval. If EventCo or ParkingCo, as applicable, disagrees with any of the City's comments, then EventCo or ParkingCo, as applicable, shall meet with the City to resolve any items in dispute to their reasonable satisfaction and each shall use good faith efforts to resolve any disagreements in an expeditious manner so as not to delay production of the Design Development Documents. EventCo or ParkingCo, as applicable, shall cause the Event Center Architect or the New Parking Structures Architect, as applicable, to either revise the applicable Design Development Documents or, with the approval of the City, incorporate appropriate revisions into the next draft of the pertinent Design Development Documents to address the comments raised.

7.8.2 Final Construction Drawings. Upon approval of the Design Development Documents, EventCo and ParkingCo, as the case may be, shall cause the Event Center Architect or the New Parking Structures Architect, as the case may be, to prepare Construction Drawings based on the approved Design Development Documents. The City shall have twenty (20) days from the receipt of the Construction Drawings, and any supplements or revisions, to review and approve the same. The failure of the City to respond within such twenty (20)-day period shall result in a deemed approval. Subject to Section 7.9 below, the City shall review the Construction Drawings for the purposes of confirming that they comply with the applicable Design Development Documents.

7.8.3 Project Schedule. EventCo and ParkingCo shall deliver to the City, for informational purposes only, a project schedule setting forth the date that construction of the Event Center and the New Parking Structures, as the case may be, will start and will be completed, to include relevant interim milestones (as may be amended from time to time, a "**Project Schedule**"). The Project Schedule for the Event Center and the New Parking

Structures shall be consistent with the applicable completion dates, if any, required under the Event Center Ground Lease and the New Parking Structures Ground Lease, as the case may be.

7.9 Event Center and New Parking Structures Project Approvals. The City shall have the right to review and approve the Design Development Documents and the Construction Drawings for the Event Center and the New Parking Structures within the timeframes set forth in Section 7.8 above solely to review, approve or confirm, as applicable, the following: (i) the exterior design of the Event Center and the New Parking Structures solely in order to approve the relationship between the Event Center, the Staples Center, the New Parking Structures, the Convention Center and Pico Boulevard, Venice Boulevard, Figueroa Street, 11th Street and L.A. Live Way from a design and operational standpoint, and (ii) the interior plans and specifications for the Event Center and the New Parking Structures solely for the purpose of assessing whether the Event Center meets the requirements set forth in Section 1.2 of the Event Center Ground Lease and the New Parking Structures meet the requirements set forth in Section 1.2 of the New Parking Structures Ground Leases, it being acknowledged and agreed that the proposed Event Center improvements shown on the Approved Event Center Conceptual Drawings satisfy the requirements set forth in Section 1.2 of the Event Center Ground Lease.

7.10 Logical Progression. The Private Project Documents which are logical progressions from concepts set forth in previously approved Private Project Documents must be approved by the City acting in its Proprietary capacity.

7.11 New Material Concern. If the City determines that there are Material Changes which are NOT logical progressions from previously approved Private Project Documents or which raise material concerns that were not reviewable in previously approved Private Project Documents, the City, in approving or disapproving such Private Project Documents, shall act in its reasonable discretion. The City shall have ten (10) days to approve or disapprove any such Material Change to the Design Development Documents and Construction Drawings. If the City shall fail to approve or disapprove such Material Change with such period, the Material Change shall be deemed to have been approved for the purposes of this Agreement, a material change (“**Material Change**”) shall mean a change, modification or amendment to the Design Development Documents or Construction Drawings which the City would have initially had the right to approve pursuant to the requirements of Section 7.9 above.

7.12 Approval Progress. In the event that the City disapproves a submittal of the Private Project Documents pursuant to Section 7.9, it shall submit a list of reasons for such disapproval to the Developer, together with its notice of disapproval. Upon receipt of such a list, the Developer shall have fifteen (15) business days to submit a revised submission. Upon the City’s receipt of the revised submission, the Project Review Staff shall have five (5) business days (or in the event that City Council approval is legally required, as soon as reasonable possible) to approve or disapprove the revised design.

7.13 No Change in Project Documents. Once the City has approved Final Construction Drawings for a specific phase, the Developer shall not make any changes in those documents which would materially impact the matters set forth in Section 7.9 without the prior written approval of the City, acting in its sole discretion.

7.14 Nature of Approvals. The approvals of the Private Project Documents pursuant to this Article VII, represent the approval of the City acting in its Proprietary Capacity. Nothing in this Article VII is intended to limit the discretion of the City in reviewing any plans for the Event Center or the New Parking Structures in their Governmental Capacity including any City permits or approvals specified in Section 7.15.

7.15 Additional Permits and Approvals. Within the time specified in the Schedule of Performance, EventCo and ParkingCo shall obtain all permits and approvals in addition to the Initial Entitlements necessary to construct the Event Center and the New Parking Structures, as the case may be, including demolition, grading and building permits. All applications for such permits and approvals shall be consistent with the approved Private Project Documents. The Developer shall not obtain a building permit for a phase of construction until the Project Review Staff have approved Final Construction Drawings for that phase.

7.16 Art Program. In connection with the development of the Private Project Documents, the Parties agree that the Developer and the City (through the City Department of Cultural Affairs (the “DCA”) and the Arts Oversight Committee established by the DCA for this Project) shall jointly establish an Arts Program for the Project with the intent of creating an overall arts master plan for the Site (the “Arts Program”). It is the intent and understanding of the Parties that a top priority of the Arts Program shall be to apply a significant portion of the Public Arts Fee that will be generated by the Project towards the contemplated “on-site” improvement of Gilbert Lindsay Plaza and the development of the “Pico Passage” portion of the New Hall Project, all as contemplated by this Agreement. The Parties further contemplate that such arts-related projects may include (but not be limited to) fountains and various sculptural elements within the redeveloped Gilbert Lindsay Plaza, and one or more art and light installations within Pico Passage, all with the intent of enhancing the pedestrian experience.

Article VIII – Construction of the Private Project

8.1 Commencement of Improvements. EventCo and ParkingCo shall Commence Construction of the Event Center and the New Parking Structures, each as applicable, within the respective times specified in the applicable Project Schedule only after receipt of building permits for the work to be undertaken. Demolition of the existing improvements or any Hazardous Substances Remediation work shall not constitute commencement of construction.

8.2 Completion of Improvements. EventCo and ParkingCo, each as applicable, shall diligently prosecute to Completion the construction of the Event Center and the New Parking Structures, as applicable, within the respective times specified in the applicable Event Center and New Parking Structure Ground Leases, using all commercially reasonable efforts to complete all phases of the Project.

8.3 Construction Pursuant to Plans. The Event Center and the New Parking Structures shall be constructed substantially in accordance with the approved Construction Drawings therefor, as may be amended subject to Article VII above.

8.4 Construction Management Plan. Prior to Commencement of the Private Project, the Developer shall prepare, and the City and the Developer shall enter, into a mutually agreeable construction management plan for the construction of the Private Project. The goal of such plan shall be to minimize (i) conflicts with Convention Center operations, and (ii) conflicts and delays in construction of the Private Project. The construction management plan shall provide for the coordination of construction staging areas and traffic controls in order to assist in the orderly flow of pedestrian and vehicular traffic to Convention Center and Staples Center events, and labor, material and construction vehicles to the construction site. The construction management plan shall include, among other things, provisions for fencing the construction site, dust and erosion control and the control of noise and vibrations. The City's Bureau of Contract Administration will insure compliance with the Project requirements and have overall management responsibilities to coordinate the several projects on behalf of the City. The Parties shall consult with the City Engineer, the Convention Center and the Bureau of Contract Administration in developing the construction management plan. The Parties agree that any delay caused by the good faith negotiation of a mutually agreeable construction management plan shall not constitute a Landlord Delay as that term is defined in the Event Center Ground Lease.

8.5 Change in Construction of Improvements. If the Developer desires to make any change in any phase of construction of the Private Project which is not substantially consistent with the approved Final Construction Drawings for such phase and which materially impacts the matters set forth in Section 7.9, the Developer shall submit the proposed change to the City for its approval, acting in its reasonable discretion.

8.6 Demolition Work. It is the intent of the Parties to demolish the existing West Hall and the existing Cherry Street Garage. EventCo and ParkingCo, respectively, shall be responsible for performing the work of demolishing all such existing structures on the Event Center Site and the New Parking Structures Site, respectively. EventCo and ParkingCo shall meet and confer with the City to discuss the shared goal of minimizing the cost of demolition. However, the cost of demolition of the West Hall and the Cherry Street Garage shall be borne solely by EventCo and ParkingCo, as the case may be. EventCo and ParkingCo shall commence demolition of the Cherry Street Garage and the West Hall in a diligent and timely manner. Notwithstanding the foregoing, without the City's prior consent, acting in its sole discretion, EventCo shall not demolish the West Hall until HallCo completes construction of the New Hall and ParkingCo completes the construction of the L.A. Live Way Garage and the garage is operational. Additionally, ParkingCo shall not commence construction of the Bond Street Parking Structure, until the L.A. Live Way Garage construction is completed and the garage is operational.

8.7 Environmental Remediation.

8.7.1 Environmental Work. The Developer shall be responsible for performing the work of any Investigation and Remediation which may be required on the New Hall Site, the Event Center Site and the New Parking Structures Site in order to develop the Project. The determination as to whether any such Remediation is needed, and as to the scope and methodology thereof, shall be made (i) by mutual agreement of the City and the Developer,

acting as prudent developers or owners using reasonable business judgment, in any case involving Hazardous Substances whose nature, location or scope could cause an economic impact to the City or would expose it to future environmental liability, or (ii) by the Developer alone, acting as a prudent developer or owner using reasonable business judgment, in any case not covered by clause (i) above. The Developer shall notify the City promptly upon discovery of Hazardous Substances, and upon any release thereof, and shall consult with the City in order to establish the extent of Remediation to be undertaken and the procedures by which Remediation shall take place. The Developer shall comply with, and shall cause its agents and contractors to comply with, all laws regarding the use, removal, storage, transportation, disposal and Remediation of Hazardous Substances. The Investigation and Remediation work shall be carried out in accordance with all applicable laws (including Environmental Laws) and such other procedures and processes as may be described in this IA and the Other Agreements. The Developer shall meet and confer with the City to discuss the shared goal of minimizing the cost of investigation and Remediation. The costs of all Investigation and Remediation work carried out in accordance with this Section 8.7 for the New Hall Site shall be included within the guaranteed maximum price the City shall pay for the New Hall Project pursuant to the New Hall Minimum Scope/GMP Contract and the costs of all Investigation and Remediation work for the Event Center and the New Parking Structures shall be the Developer's sole cost and expense.

8.7.2 Hazardous Substances. The costs of Investigation and Remediation with respect to the Hazardous Substances which are introduced onto the Event Center Site, the New Parking Structures Site or the New Hall Site and/or on any property on which the Developer obtains a construction license or easement from the City either before or during the period that such property is under the ownership, lease, possession or control of the Developer, shall be the sole responsibility of the Developer, as more fully set forth in Article XVII, and in the environmental indemnity clauses of the Other Agreements, and the Developer shall indemnify, defend and hold harmless the City with respect thereto.

8.8 Utility Relocation. The Parties agree that it may be necessary to relocate certain existing utilities, if any, that currently run beneath the Event Center Site, the New Parking Structures Site, the Arena Site or the New Hall Site in connection with the construction of the Project. EventCo, ParkingCo and HallCo, as applicable, shall be responsible for performing the work in connection with any utility relocation. Relocation shall be carried out in accordance with (i) plans approved by the City, (ii) reasonable construction practices, including, by way of example only, minimizing service interruptions to the Convention Center during Convention Center hours of operation (including during event set-up or take-down) and commercially reasonable construction indemnities, (iii) the applicable provisions of the REA and (iv) applicable laws. Except as set forth in the Method of Financing, the cost of relocating utilities that are not part of the New Hall Project shall not be Public Items and shall be the sole responsibility of the Developer. In the event of any conflict between this Section 8.8 and the REA or the Construction and Staging License Agreement, the REA and the Construction and Staging License Agreement shall control.

8.9 Construction and Staging License. At the Closing, the City shall provide the Developer and its agents, without rent, license or other fee, with any easements, licenses or consents reasonably requested by the Developer on and over the adjacent Convention Center Site

or any other property owned or leased by the City adjacent to or near the Project Site to facilitate the construction of the Project (including, without limitation, any required street easements or similar rights reasonably necessary to relocate utilities, on commercially reasonable terms, including without limitation, (i) commercially reasonable indemnities, (ii) site condition requirements, (iii) requirements to restore the licensed property to an agreed condition at the termination of such license, and (iv) agreement not to interfere in any material respect in Convention Center operations, and pedestrian and vehicular access to all Convention Center entrances; provided, however, that the City shall not be required to grant any easement, license or consent that would interfere in any material respect with the operations of the Convention Center, or pedestrian and vehicular access to all Convention Center entrances, or which, in the opinion of Bond Counsel, would cause the Existing Securities or the Defeased Securities to lose their tax-exempt status; provided, further, that if Bond Counsel concludes that the tax-exempt status of the existing Securities or the Defeased Securities may be threatened by any such easement, license or consent, the Parties may meet and confer in good faith to seek reasonably practicable remedial actions and to implement such actions as are agreed by the Parties, in order to preserve the tax-exempt status of the Existing Securities and the Defeased Securities.

8.10 Construction Pursuant to REA. The Developer shall comply with the additional construction requirements, if any, for the Project as may be set forth in the REA.

8.11 Community Benefits. From and after the termination of the Event Center Development Agreement until the termination of the last to terminate of this IA, the Event Center Ground Lease or the Parking Structure Ground Leases, EventCo shall continue to implement all of the community benefits set forth in the Event Center Development Agreement, attached hereto as *Exhibit D*, except for those community benefits which are either a one-time only occurrence or which by their terms have expired or otherwise been satisfied as of the termination of the Event Center Development Agreement.

8.12 Non-Discrimination. In the construction of the Project, the Developer, its contractors, and subcontractors shall not discriminate against any employee or applicant for employment because of race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, marital status, domestic partner states, or medical condition.

8.13 Rights of Access. Representatives of the City shall have the reasonable right of access to the Site (accompanied by a Developer representative if requested by the Developer) without charges or fees, at normal construction hours during the period of construction, and with prior reasonable notice to the Developer, for the purposes of this IA, including without limitation, the inspection of the work being performed in constructing the Project, so long as the access by the City (and its representatives and agents) does not interfere with or impair the construction of the Project.

8.14 Certificate of Completion. Upon completion of each of the Bond Street Garage, the L.A. Live Way Garage and the Event Center, the City shall provide the Developer with a Certificate of Completion in a recordable form specifying that that each such particular phase of the Project has been completed.

8.15 Event Center and New Parking Structures Construction Contracting. EventCo and ParkingCo shall select in their sole discretion, and enter into contracts with, the general contractor for the Event Center and the New Parking Structures, as applicable.

Article IX – Campus Operation and Cooperation Policy

9.1 Operation and Cooperation Policy. Prior to the Construction Completion Date of the Bond Street Parking Structure, the Parties shall jointly develop and adopt certain written policies, which they may amend from time to time, by mutual agreement, as operational needs change, but which shall, at minimum, contain the following goals and shall comport with the following parameters:

9.1.1. Macro Booking Policy.

9.1.1.1 Operational Oversight Committee. The Parties will form an Operational Oversight Committee (“**OO**C”) which shall consist of a representative from each of the Convention Center, EventCo, ArenaLandCo, ParkingCo and L.A. Inc. (or its successor as named by the City). The OOC will assist the Parties in coordinating all activities at the three event sites (Event Center, Staples Center and Convention Center) and two parking garages (Bond Street Garage and L.A. Live Way Garage). The OOC shall meet no less than once per month.

9.1.1.2. Bookings. The Macro Booking Policy shall state that the OOC will monitor and oversee bookings at the Event Center, Staples Center and Convention Center, with the mutual goals of:

(a) seeking to minimize conflicts and ensuring the optimal and mutually beneficial operation of the three (3) event sites;

(b) seeking to confirm that the Event Center will be reasonably available to the City for advance bookings of City-Wide Conventions and all other Convention Center uses of the Event Center contemplated by the Parties, all pursuant to and in accordance with the terms and conditions of the Event Center Ground Lease;

(c) seeking to confirm that EventCo and ArenaLandCo will not actively solicit the booking of the Event Center or the Staples Center for use in connection with City Wide Conventions except in conjunction with the City’s marketing efforts for the Convention Center and consistent with this Macro-Booking Policy, all as more particularly described in the Event Center Ground Lease; and

(d) developing a suggested methodology, which may be amended from time to time by the parties as operational needs require for the Parties to determine staffing plans when the Convention Center is using the Event Center.

9.1.1.3. Parking. The Macro-Booking Policy shall provide for coordination of parking, and shall include the following goals:

(a) The Parties shall seek to minimize conflicts and ensure the optimal and mutually beneficial operation of the parking garages for the benefit of Convention Center, Event Center and Staples Center patrons;

(b) The Parties shall seek to provide sufficient parking for Convention Center, Event Center and Staples Center patrons; and

(c) The Parties shall seek to implement such commercially reasonable measures as may be feasible in order to satisfy the City's desire to maintain affordable parking for its patrons, including without limitation, the implementation of such measures as a joint validation program and similar measures, in all such instances pursuant to and in accordance with the applicable terms and conditions of the Event Center Ground Lease.

9.1.1.4. Non-competition and Coordination. The Macro Booking Policy shall state that the Parties agree that it is in their mutual best interest to enhance the existing financial performance of the Convention Center and its ability to attract the greatest number of events and, therefore, the Parties shall each comply with the applicable terms and conditions set forth in the Event Center Ground Lease and the Arena Ground Lease governing such non-competition and coordination.

9.1.1.5 Gilbert Lindsay Plaza Agreement. The OOC, or a subcommittee thereof, shall coordinate the use of the Gilbert Lindsay Plaza in accordance with the terms and conditions of the Gilbert Lindsay Plaza Agreement and shall develop a mutually acceptable formula for sharing of maintenance and capital expenditure expenses between EventCo and the Convention Center, all as more particularly set forth in the Gilbert Lindsay Plaza Agreement.

9.1.1.6. Costs. The Parties will bear their own costs for participation in the OOC.

9.1.2. Safety and Security Policy.

9.1.2.1. Safety Plan for Site. The Parties will jointly establish and adopt a safety plan which will set forth the Developer's plan for providing security to the Site, including, without limitation, the exterior of the event sites (Convention Center, Event Center, and Staples Center), the exterior and interior of the Private Projects, Gilbert Lindsay Plaza and the surrounding areas. Said plan shall be in addition to, and not include, any Los Angeles Police Department ("LAPD"), Los Angeles Fire Department ("LAFD") and Los Angeles Department of Transportations ("LADOT") personnel provided by the City in its Governmental Capacity. It may include any LAPD, LAFD or LADOT personnel specifically contracted by the Parties as part of supplemental safety or traffic plans for the Site. The plan will include such provisions for:

(a) Private foot patrol of the Site;

(b) Security cameras in the parking areas, Pico Passage and on or near the freeway overpasses;

- (c) Lighting in the parking areas and all exterior pedestrian access areas;
- (d) Vehicle patrol of the Site;
- (e) A control and command center for City police, fire and traffic personnel; and
- (f) AAA, or similar car assistance, facility when there are events at any of the event sites (Event Center, Staples Center or Convention Center).

9.1.2.2. Cost Allocation. The Parties will bear their own costs for participation in the safety and security program; provided, however, that if from time to time the Parties establish and implement shared safety or security measures, the costs of such shared measures shall be equitably borne by the Parties, as determined from time to time by the OOC.

9.2. Conflict Resolution. A Coordinating Committee will be formed to resolve any conflicts not resolved by the mutual consent of the parties comprising the OOC. The Coordinating Committee shall be comprised, on the one hand, of one representative each of the CLA, the CAO, the City Attorney and the Convention Center and, on the other hand, of one representative each of EventCo, ArenaLandCo and ParkingCo, and shall be formed and governed in accordance with the rules and criteria established by its members. Failure of the Coordinating Committee to resolve any dispute to the satisfaction of all parties shall result in the matter being determined through an expedited, single arbitrator, binding arbitration process. The rules and procedures regarding such arbitration process shall be established by the Coordinating Committee. Each party shall bear its own costs for any arbitration proceeding.

9.3. Continuing Covenant. The provisions of this Article IX shall survive the termination of this IA.

Article X – Non-Construction Defaults and Remedies; Additional City Protections

10.1 New Hall

10.1.1 Non-Construction Default. Subject in all respects to the terms and conditions of the New Hall Agreement and issuance and disbursement of the Bonds, HallCo must (a) Commence Construction of the New Hall by the date set forth in the New Hall Agreement and (b) Complete the New Hall by the date set forth in the New Hall Agreement, in each case extended day for day for each day of actual delay caused by Force Majeure Events or City Delay, but in no event later than the "**New Hall Construction Deadline**" (as defined in the New Hall Agreement). HallCo's failure to Commence Construction of the New Hall or to Complete the New Hall on or prior to the applicable New Hall Construction Deadline shall, subject to all applicable notice and cure periods set forth in the New Hall Agreement, be a

default under this IA (the "**New Hall Non-Construction Default**") for which the City shall have the rights and remedies set forth in the New Hall Agreement (including the right to terminate the New Hall Agreement and the "**Related Agreements**" (as defined in the New Hall Agreement).

10.1.2 City Protections. For the benefit of the City, the City shall be a third party beneficiary under the New Hall GMP contract to be entered into by and between HallCo and the New Hall General Contractor, and thereby entitled to all the remedies and protections in that contract, including without limitation, the completion bond posted by the contractor.

10.2 New Parking Structures

10.2.1 Non-Construction Default. ParkingCo shall (a) Commence Construction of the Parking Structures by the applicable dates set forth in the respective New Parking Structures Lease, and (b) shall Complete the New Parking Structures by the applicable dates set forth in the respective New Parking Structure Ground Lease, in each case extended day for day for each day of actual delay caused by Force Majeure Events or Landlord Delay, but in no event later than the applicable New Parking Structures Construction Deadline (as defined in the New Parking Structure Ground Leases). ParkingCo's failure to Commence Construction of the New Parking Structures or to Complete the New Parking Structures on or prior to the applicable New Parking Structures Construction Deadline, subject to all applicable notice and cure periods set forth in the applicable New Parking Structure Ground Lease, shall be a default under this IA (the "**New Parking Structures Non-Construction Default**") for which the City shall have the rights and remedies set forth in the New Parking Structures Ground Leases (including the right to terminate the New Parking Structures Ground Leases and the Event Center Ground Lease).

10.2.2 City Protections. For the benefit of the City, ParkingCo shall not place any leasehold financing on its interest in the New Parking Structures Ground Leases or otherwise pledge the New Parking Structures as collateral for any financing except as otherwise permitted under the New Parking Structures Ground Leases.

10.3 Event Center

10.3.1 Non-Construction Default. Subject only to such cure rights as may be provided to the Senior Lenders pursuant to the Event Center Ground Lease, EventCo shall (a) Commence Construction of the Event Center by the date set forth in the Event Center Ground Lease, subject to extension on a day-for-day basis on account of Force Majeure Events or Landlord Delay, and (b) shall Complete the Event Center by (i) the date set forth in the Event Center Ground Lease, subject to extension on a day-for-day basis on account of Force Majeure Events or Landlord Delay or (ii) December 31, 2025, subject to extension on a day-for-day basis on account of Landlord Delay only, and not subject to extension on account of Force Majeure Events (the "Event Center Construction Deadlines"). EventCo's failure to Commence Construction of the Event Center or to Complete the Event Center on or prior to the applicable Event Center Construction Deadline shall, subject to all notice and cure periods set forth in the Event Center Ground Lease, be a default under this IA (the "**Event Center Non-Construction Default**") for which the City shall have the rights and remedies set forth in the Event Center

Ground Lease (including the right to terminate the Event Center Ground Lease and the New Parking Structures Ground Leases).

10.3.2 City Protections.

10.3.2.1 For the benefit of the City, all as more specifically set forth in the Event Center Ground Lease, EventCo's loan documents encumbering the leasehold interest in the Event Center shall provide for the City's right to terminate the Event Center Ground Lease free and clear of the lender's mortgage or other security interest encumbering the Event Center Site, subject to the expiration of all notice and cure rights provided to such lenders pursuant to this IA or the Event Center Ground Lease.

10.3.2.2 For the benefit of the City, EventCo shall provide a guaranty from a guarantor reasonably acceptable to the City which guarantees completion of the Event Center and the New Parking Structures.

10.3.2.3 For the benefit of the City, all as more specifically set forth in the Event Center Ground Lease, EventCo may not encumber its leasehold interest in the Event Center beyond the amounts permitted in the Event Center Ground Lease.

Article XI – Financing of Project

11.1 Method of Financing. The Method of Financing which is attached hereto as *Attachment No. 11* delineates the responsibilities of the Parties for various costs of or related to the Project and of carrying out the obligations under this IA and the Other Agreements.

11.2 Developer Financing. EventCo contemplates that it will obtain financing to pay for some of the costs it will incur to develop, construct and operate the Event Center. Such financing and any other financing which may encumber the Event Center Site shall be permitted only if it meets the applicable requirements of the Event Center Ground Lease and Section 11.3.

11.3 Other Requirements. All as more particularly set forth in the Event Center Ground Lease, the loan documents shall meet the following requirements:

(a) For the Event Center construction loan only, the amount of the construction loans provided for in the loan documents, together with the equity to be committed by EventCo the construction of the Event Center (as evidenced by the loan documents and such other evidence as the City may reasonably request), will be sufficient to pay for the costs of constructing the Event Center in accordance with the construction budget, including appropriate construction contingencies, reflected in such loan documents.

(b) The loan documents have been executed by the lender and EventCo, as applicable.

11.4 Change in Loan Documents. EventCo will provide the City with copies of the loan documents solely for the City to confirm that the loan documents satisfy the requirements in

Section 11.3 and the Event Center Ground Lease. Thereafter, EventCo will not modify or agree to modify those loans documents in a manner which violates the requirements of Section 11.3 without the prior written consent of the City.

11.5 Holder Not Obligated to Construct Improvements. The holder of any mortgage, deed of trust or other security interest authorized or permitted by this IA or the Event Center Ground Lease shall in no way be obligated by the provisions of this IA to construct or complete the improvements; provided, however, that if construction of the Event Center is not Commenced or Completed within the time periods permitted by this IA and the Event Center Ground Lease, the City shall be entitled to the rights and remedies set forth in this IA and the Event Center Ground Lease, , subject to all applicable notice and cure periods set forth in the Event Center Ground Lease. Nothing in this IA shall be deemed to construe, permit or authorize any such holder to devote the Site or any part thereof to any uses, or to construct any improvements thereon, other than those uses or improvements provided for or authorized by this IA or the Event Center Ground Lease.

11.6 Notice of Default to Mortgagee or Other Security Interest Holders; Right to Cure. Whenever the City shall deliver any notice or demand to EventCo pursuant to the Event Center Ground Lease or this IA with respect to any breach or default by EventCo, the City shall at the same time deliver to each holder of record of any mortgage or other security interest authorized or permitted by this IA, of which the City has been notified, a copy of such notice or demand. Each such holder shall have all cure rights available to it as described in the Event Center Ground Lease. Nothing contained in this IA shall be deemed to permit or authorize such holder to undertake or continue the construction or completion of the Event Center other than (i) in accordance with this IA, the Other Agreements and the approved Construction Drawings, and (ii) at no additional cost to the City. Any such holder properly completing such improvements shall be entitled, upon written request, to a Certificate of Completion.

11.7 Contracts with Lender, Team(s) and Others. The Parties acknowledge that the City will have the right to enter into a SNDA in a form consistent with the terms and conditions of the Event Center Ground Lease with the Senior Lenders and the NFL Team, a security interest in the Venue Contract(s) and/or the right to enter into separate Venue Contracts with each NFL Team and the right to assume Developer's rights under all existing Venue Contracts and all Event Center Ancillary Agreements (including but not limited to those agreements regarding management of the Event Center, ticket sales, premium seating, concessions, parking, permanent or other seat license sales, on-site merchandise, sponsorship sales, signage, naming rights and media rights revenue).

11.8 Financing of New Hall.

11.8.1 The Bonds. Following the Effective Date, the City shall diligently pursue the formation process, and shall take all other steps as are required to form the Mello-Roos Districts and to issue the Bonds required in order to finance construction of the New Hall, consisting of (a) Lease Revenue Bonds in the approximate par amount not to exceed \$268,350,000, and payable from the City from its General Fund in amounts not expected to exceed the sources of revenues described in the New Hall GFA, and (b) Mello-Roos Bonds in

the total approximate par amount not to exceed \$122,950,000, payable by special taxes levied on non-exempt real property as described below, it being the mutual desire of the Parties to maintain to the greatest extent commercially feasible the same ratio of Lease Revenue Bonds to Mello-Roos Bonds as set forth above.

11.8.2 Defeasance of Certain Existing Securities. Within the time period required by the Internal Revenue Code and regulations, the City and Bond Counsel shall identify the series and maturities ("**Defeased Securities**") of the Existing Securities which must be defeased to permit the remaining Existing Bonds and the Lease Revenue Bonds to be tax exempt. The Developer shall provide the funds to the defeasance trustee sufficient to defease the Defeasance Securities ("**Defeasance Cost**") and the Developer shall pay the fees and charges of the defeasance trustee; provided, however, that Developer shall not be obligated to pay more than \$2,000,000 in total Defeasance Cost (the "**Developer Defeasance Cap**") in connection with any defeasance required either pursuant to this Section 11.8.2 or Section 11.10 below. Such defeasance shall occur concurrently with the Closing, and to the extent necessary, at the time the Lease Revenue Bonds are issued.

11.8.3 Bond Proceeds.

11.8.3.1 Use of Bond Proceeds. On the terms and conditions hereinafter set forth and in the New Hall Agreement and consistent with the Bond documents, the City will apply the net proceeds from the issuance and sale of the Lease Revenue Bonds and Mello-Roos Bonds (the "**Bond Proceeds**") to the acquisition and construction of the New Hall Project in accordance with the Bond documents. Upon completion of the New Hall Project as contemplated by this IA and the New Hall Agreement, any unexpended Bond Proceeds, as well as interest that may accrue thereon, shall be applied in accordance with the Bond documents to first fund any required deposits to debt service reserve funds required under the Bond documents, and then to pay principal and/or interest on the Lease Revenue Bonds, subject to prior receipt of an opinion from Bond Counsel that such use will not adversely impact the exclusion of interest on any of the bonds from gross income for federal tax purposes.

11.8.3.2 Administration of Bond Proceeds. The funds provided as Bond Proceeds shall be deposited in a segregated account held pursuant to the Bond documents. Consistent with the Bond documents, Bond Proceeds shall be used for the following purposes: (i) to pay costs of issuance for the Bonds; (ii) to satisfy the Reserve Requirement for the Bonds (to the extent a reserve surety or letter of credit or funds of the Developer are not used for that purpose); (iii) to pay capitalized interest on the Bonds; (iv) to pay administrative and legal costs as and when permitted by the IA and the Bond documents; and (v) to pay the costs of acquisition and construction of the New Hall Project. Capitalized interest shall be used to pay debt service on the Bonds in accordance with the Bond documents. Amounts received as interest or as other distributions on investment of the Bond Proceeds held under the Bond documents shall be used to pay costs of acquisition and construction of the New Hall Project and, if not so needed, to pay Bond debt service in the year in which such amounts are received.

11.8.3.3 Order of Expenditure of Bond Proceeds. Lease Revenue Bond Proceeds and Mello-Roos Bond Proceeds shall be applied ratably (i) as costs are incurred for the acquisition and construction of the New Hall Project and (ii) to the payment of other costs as permitted by the Bond documents.

11.9 Financing of the New Parking Structures.

11.9.1 ParkingCo Obligation. ParkingCo will be solely responsible for financing the design and construction of the New Parking Structures. No City funding, including, but not limited to, the issuance of bonds, will be provided for the New Parking Structures. As further provided in the New Parking Structures Ground Leases, ParkingCo shall control and retain the revenue from the New Parking Structures at all times except only as specifically set forth in the New Parking Structures Ground Leases.

11.9.2 West Hall and Cherry Street Garage Parking Revenue. The City has confirmed that the incremental parking revenue to the City from Event Center events plus the incremental off-site parking tax to the City from Event Center events (all as further described below) shall compensate the City for the net income to the City currently generated by its parking operations at the West Hall garage and the Cherry Street Garage. The City engaged an independent third party auditor to conduct an audit to verify its net income currently generated by its existing parking operations at the West Hall garage and the Cherry Street Garage; this audit took into account expenses properly allocable to said parking. The audit was used to ensure that the City is "made whole" for the loss of parking revenue derived from its West Hall parking operation. There will be no change in current application of Arena net incremental parking revenue under the existing Arena Gap Funding Agreement except for as it relates to the inclusion of the West Hall parking.

11.10 Financing of the Event Center. The Developer will be solely responsible for financing the design and construction of the Event Center. No City funding, including but not limited to the issuance of bonds, will be provided for the Event Center. In order to comply with Tax Code requirements in connection with the Project, some of the existing Convention Center bonds must be redeemed or defeased. Subject to the Developer Defeasance Cap, the Developer shall provide the funds necessary for such redemption or defeasance. As more particularly set out in the Event Center Ground Lease and the New Hall GFA, the provisions of which shall control, to the extent construction sales taxes generated by the Project are not used to pay debt service on the Lease Revenue Bonds, the Developer shall be entitled to a credit against Event Center Ground Rent for the redemption or defeasance costs in the amount of the unused construction sales taxes received by the City. The City shall cooperate in redeeming or defeasing any existing bonds necessary for the transaction, and in releasing the Event Center Site from the leases securing the existing bonds, and the Parties shall mutually take all reasonable steps in order to minimize the amount of such defeasance costs and to make available alternative Project sources of funding to reimburse the Developer for such costs to the greatest extent reasonably possible.

11.11 Sources for Repayment of Bonds.

11.11.1 General Fund Revenues. The New Hall GFA, the provisions of which shall govern in all respects, sets forth the sources of General Fund revenues that will be used to pay debt service on the Lease Revenue Bonds.

11.11.2 Mello-Roos Districts. In consideration for the overall benefit to the Developer and its affiliates in connection with the development of the Project, such as, among other things, the extension of the existing Arena Ground Lease on the terms and conditions set forth in the Arena Ground Lease Amendment, and the receipt of certain signage rights on terms and conditions satisfactory to EventCo and L.A. Live Properties, the Developer has agreed, and will cause L.A. Live Properties to agree, to permit the creation of a special assessment district on the L.A. Live Site and the creation of a special assessment district encumbering EventCo's leasehold interest under the Event Center Ground Lease. As such, the sources of repayment of the Mello-Roos Bonds shall be the imposition of (i) a special tax to be levied on the fee ownership interest of the L.A. Live Site, and (ii) a special tax to be levied on EventCo's leasehold interest under the Event Center Ground Lease.

11.11.3 Gap Funding Obligation. EventCo, ParkingCo and the GFA Co-Obligor shall be obligated ("New Hall Gap Funding Obligation") to pay any shortfalls in the General Fund revenues described above, as may be required to make timely debt service payments on the Lease Revenue Bonds, all in accordance with the terms and provisions of the New Hall GFA and the Security Agreement.

11.11.4 Credit Support. Pursuant to and in accordance with the terms and conditions of the Security Agreement, which shall govern in all respects, EventCo, ParkingCo and the GFA Co-Obligor shall provide the City with the credit support defined in the Security Agreement (collectively, the "**Letters of Credit**") for the New Hall Gap Funding Obligation and, if applicable, for any debt service reserve funds ("**Reserve Fund**") securing payment of the Bonds. The terms and conditions for drawing on the Letters of Credit for the New Hall Gap Funding Obligation are set forth in the New Hall GFA and the Security Agreement, as applicable. The terms and conditions for drawing on the balance of the Letters of Credit (not including the Bond Reserve Fund) are set out in Security Agreement.

11.12 Advanced New Hall Project Costs. Concurrently with the Approval Date, the City passed a reimbursement resolution pursuant to which it has been agreed that certain out-of-pocket third party design and project management costs incurred by HallCo, or its affiliates, in the design of the New Hall (e.g., architect and consultant fees) from the inception of the New Hall Project and specifically approved by the City shall be treated as New Hall Project Costs, and shall be reimbursed to HallCo out of available Bond Proceeds; it being agreed that the Approved Target New Hall Budget includes such reasonable design and project management costs incurred by HallCo. The Advanced New Hall Project Costs shall be part of the amount paid by the City to HallCo pursuant to the New Hall Agreement and not additional compensation, all as more fully set forth in the New Hall Agreement.

11.13 City Capped Share Expenditures. The City has authorized the Developer to file applications for all regulatory approvals and entitlements for the Project, including conducting

all traffic, parking, CEQA, and other studies required for the Project, it being the intent of the Parties that all such costs shall be borne solely by the Developer except for a reasonably allocable portion (not to exceed a total \$1 million) of such costs that the City would have incurred had construction been limited to building the New Hall and had the City built the New Hall for itself (“**City Capped Share Expenditures**”) The Approved Target New Hall Budget includes (and the Approved Final New Hall Budget shall include) the City Capped Share Expenditures, and the City Capped Share Expenditures shall be part of the amount paid by the City to the Developer pursuant to the New Hall Agreement and not as additional compensation, all as more fully set forth in the Method of Financing, *Attachment No.11*. The Developer understands and agrees that the approval of this IA and the Other Agreements by the City does not constitute approval of any such applications, either currently filed or to be filed in the future. Approvals of those applications are subject to separate and independent State and City requirements and City’s approval of this IA does not constitute a commitment by City to take any particular action in relation to such applications.

Article XII – Parties: Assignment

12.1 General. The qualifications and identity of the Developer and its principals are of particular concern to the City. It is because of those qualifications and identity that the City has entered into this IA with the Developer. Therefore, no voluntary or involuntary success in interest of Developer shall acquire any rights or powers under this IA, except as expressly set forth herein.

12.2 Purpose of Restrictions on Transfer. This IA is entered into solely for the purpose of development of the New Hall and development and operation of the Event Center and the New Parking Structures and the Project’s subsequent use in accordance with the terms of this IA and the Other Agreements. The Developer recognizes that the qualifications and identity of the Developer are of particular concern to the City in view of:

(a) The importance of the redevelopment of the Site to the general welfare of the community and the promotion of entertainment, sporting, and recreational opportunities for the public;

(b) The reliance by the City upon the unique qualifications and ability of the Developer to serve as a catalyst for development of the Site and upon the continuing interest which the Developer will have in the Arena Site and the L.A. Live Site to assure the quality of the use, operation and maintenance deemed critical by the City in the development of the Site and surrounding areas;

(c) The fact that a change in ownership or control of the owner of the leasehold estates in the Site, or a substantial part of the Site, or any other transaction involving or resulting in a significant change in ownership or with respect to the identity of the parties in control of the Developer or the degree thereof, other than as specified in Section 12.3, below, is for practical purposes a transfer or disposition of the Property; and

(d) The importance to the City and the community of the standards of use, operation and maintenance of the site.

12.3 Change in Control. During the term of the IA, a transfer or other change in the ownership of the Developer which would cause control of the Developer to be held by an individual or entity other than an Affiliate shall be deemed an assignment for purposes of this Article XIII. Notwithstanding the foregoing, any transfer of an ownership interest in any one entity which comprises the Developer (i) resulting in Philip F. Anschutz and the other owners of the NFL Team, together with their respective Affiliates, collectively or individually, owning greater than a 50% ownership interest in such entity, or (ii) as a result of the death of Philip F. Anschutz or any other owners for the NFL Team, to a family member or members of such deceased individual, and/or one or more trusts for the benefit of a family member or members of such deceased individual, and/or The Anschutz Foundation, and/or up to three additional nationally-recognized organizations which qualify for exemption from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code (none of which additional organizations shall individually own more than a 10% ownership interest in Developer) shall not be deemed an assignment for purposes of this Article XIII; provided, however, that Developer shall in each case remain bound by the terms of this IA and the Other Agreements.

12.4 Subleases. Notwithstanding anything to the contrary in this IA, the Developer may enter into subleases under the Event Center Ground Lease or the New Parking Structures Ground Leases in accordance with the provisions of the ground leases.

12.5 General Restrictions on Assignment. Except as otherwise expressly provided in this Article XII or the Event Center Ground Lease or the New Parking Structures Ground Leases, the Developer may not transfer, sell, convey or assign (in each case referred to herein as "assign" or as "assignment") all or any portion of its interests in this IA, in any of the Other Agreements, in the Project or the Site or in any portion thereof, without the prior written consent of the City, which consent may be withheld in the sole but good faith discretion of the City. Except as otherwise contemplated by this IA or the Event Center Ground Lease or the New parking Structures Ground Leases, the City may not assign all or any portion of its interest in this IA, in any of the Other Agreements, in the Project or the Site or in any portion thereof, without the prior written consent of the Developer, which consent may be withheld in the sole but good faith discretion of the Developer.

12.6 Assignment to Affiliates. Subject to the provisions of Section 12.3 above, any Party to this Agreement may assign all or any portion of its interests in this IA to one or more Affiliates (as owners of separate portions, as tenants-in-common, or in any other legally permitted way), without obtaining the prior consent of the City. At least 30 days prior to such an assignment, such Party shall provide to the City (a) written notice of the assignment, (b) evidence reasonably satisfactory to the City that each assignee is an Affiliate of such Party, and (c) a copy of the assignment document, in which the assignee shall have assumed the obligations of such assignor Party applicable to the interest assigned. Such an assignment shall not relieve such assignor Party of liability for the performance of its obligations under this IA.

12.7 Collateral Assignment to Event Center and New Parking Structures Lender(s). Subject to the provisions of this Section 12.7, any entity which comprises Developer may collaterally assign its interest in this IA, to any Institutional Lender as security for such entity's obligations in connection with the financing of the Project or any part thereof; subject to and in accordance with the terms and conditions set forth in the Event Center Ground Lease or in the New Parking Structures Ground Leases, as applicable. Nothing in this Section 12.7 shall permit the Developer to encumber the City's fee interest in the Event Center Site or the New Parking Structures Site.

12.8 Assignment before Completion of Event Center. Except as otherwise set forth in Section 12.6 (Affiliates), before Completion of the Event Center, EventCo may only assign all or any portion of its interest in this IA in connection with an assignment of EventCo's interest under the Event Center Ground Lease.

12.9 Assignment before Completion of New Parking Structures. Except as otherwise set forth in Section 12.6 (Affiliates), before Completion of the New Parking Structures, ParkingCo may only assign all or any portion of its interests in this IA in connection with an assignment of ParkingCo's interest under the New Parking Structures Ground Leases.

12.10 Assignment after Completion of Event Center. Subject to the provisions of Section 12.12, after Completion of the Event Center, EventCo may sell or assign all or any portion of its interests in the IA, provided that EventCo obtains the prior written approval of the City, which approval may be withheld only on the basis of the assignee's character or financial capability as reasonably determined by the City.

12.11 Assignment after Completion of New Parking Structures. Subject to the provisions of Section 12.12, after Completion of the New Parking Structures, ParkingCo may sell or assign all or any portion of its interests in the IA, provided that ParkingCo obtains the prior written approval of the City, which approval may be withheld only on the basis of the assignee's character or financial capability as reasonably determined by the City.

12.12 Assignment Documents. At least 30 days prior to any assignment pursuant to Sections 12.8 and 12.9, the Developer shall provide to the City (i) written notice of the assignment, (ii) evidence reasonably satisfactory to the City that the assignee satisfies any criteria set forth in the provisions of this Article XII which are applicable to such assignment; and (iii) a copy of the assignment document pursuant to which the assignee shall assume the obligations of the Developer applicable to the interest assigned, including, without limitation, the obligations of the Developer under the IA. Such an assignment shall not relieve the Developer of liability for the performance of its obligations hereunder.

12.13 Factors Affecting Assignment. Where the City is required by this Article XII to be reasonable in determining whether to consent to a proposed assignment by the Developer, the City may withhold such consent on the basis of the following factors (provided, that, where the factors to be considered in any such approval are expressly limited elsewhere in this Article XII, this Section 12.13 shall not be deemed to modify such limitation):

(a) Character. The assignee must be a person or entity of good character and reputation; and

(b) Financial Capability. The assignee must have sufficient verifiable financial resources or commitments to carry out the development or operation of the Project in accordance with the terms of this IA and the Other Agreements. The determination as to financial capability must be based upon facts which the Developer shall have the right to address and rebut. If the assignee (together with its Affiliates) has a verifiable net worth of One Billion Dollars or more, it shall be deemed to have met this test.

12.14 Assignment by City. The City may assign all or any portion of its interests in this IA without obtaining the prior consent of the Developer, to a governmental unit or units (including, without limitation, a joint powers authority or other multi-governmental organization), or to one of the Government Entities. At the election of a Government Entity in any such assignment, it may delegate its proprietary rights and responsibilities to a private party while retaining its governmental rights under this IA or Other Agreements or under law. Any assignee shall expressly assume the rights and responsibilities so assigned.

Article XIII – Defaults, Remedies and Termination

13.1 General. In addition to the special construction default and remedies provisions of Article X, failure or delay by a Party to perform any term or provision of this IA shall constitute a default under this IA, subject to all applicable notice and cure periods (“**Event of Default**”). The non-defaulting Party shall give written notice of default to the Party in default, specifying the default complained of by the non-defaulting Party. If such a breach or default under this IA also constitutes a breach or default under any of the Other Agreements, the applicable notice and cure periods and available remedies under this IA shall consist of the corresponding applicable notice and cure periods and available remedies under such Other Agreement, as the case may be. If such breach or default does not constitute a breach or default under any of the Other Agreements, then a non-defaulting Party may not exercise any rights or remedies upon a default by another Party, unless and until such default continues for a period of thirty (30) days in the case of a monetary default, and ninety (90) days in the case of a non-monetary default, after written notice thereof from a non-defaulting Party; provided however that if the nature of the non-monetary default is such that more than ninety (90) days are reasonably required for its cure, then the defaulting Party shall not be deemed to be in default if it has commenced a cure within said ninety (90) day period and thereafter diligently prosecutes such cure to completion.

13.1.1 Specific Performance. If the default is not commenced to be cured within ninety (90) days of service of the notice of default and is not completely cured in a continuous and diligent manner within a reasonable period of time after commencement, the sole remedy of the non-defaulting party shall be to proceed by appropriate judicial proceedings at law or in equity to enforce performance or observance by the defaulting Party of the applicable provision of this IA. The City expressly waives, releases and relinquishes any and all right to re-enter the Event Center Site or the New Parking Structures Site and/or terminate this IA on account of a default other than a “**Re-Entry Default**” (as defined in either the Event Center Ground Lease or

the Parking Structures Ground Leases, respectively) which is not cured within applicable notice and cure periods.

13.1.2 Termination of Certain Other Agreements. After the Closing occurs, any Party to this IA may, at its sole discretion, terminate this IA in the event that all of the following Other Agreements terminate in accordance with the respective terms of each such Other Agreement, prior to the end of its full term; provided that such termination is in accordance with the terms and provisions of such Other Agreement and is the result of a default by another Party of its applicable obligations under such Other Agreement which is not cured within applicable notice and cure periods under such Other Agreement: (i) the New Hall GFA, (ii) the Security Agreement, (iii) the New Hall Agreement, (iv) the Event Center Ground Lease, and (v) (except only as specifically provided in the New Parking Structures Ground Leases) either of the New Parking Structures Ground Leases.

13.2 No Waiver. Any failures or delays by a Party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by any Party in asserting any of its rights and remedies shall not deprive a party of its right to institute and maintain any actions or proceedings which it has under this IA or the Other Agreements to protect, assert or enforce any such rights or remedies.

13.3 Institution of Legal Actions. Subject to the limitations and other terms set forth in this Section 13, in addition to any other rights or remedies, except for rights or remedies expressly declared in this IA or the Other Agreements to be exclusive, a Party may institute legal action to cure, correct or remedy any default, or to obtain any other remedy consistent with the terms and conditions of this IA. Such legal actions must be instituted in the Superior Court of the County of Los Angeles, State of California, in any other appropriate court in that County, or in the Federal District Court for the Central District of California.

13.4 Acceptance of Service of Process. In the event that any legal action is commenced by the Developer against the City, service of process shall be made by personal service upon the City Clerk, or in such manner as may be provided by law. In the event that legal action is commenced by the City against the Developer, service of process on the Developer shall be made by personal service upon any officer of the Developer or in such manner as may be provided by law, and shall be valid whether made within or without the State of California.

13.5 Rights and Remedies are Cumulative. Subject to the limitations and other terms set forth in this Section 13, except with respect to rights and remedies expressly declared to be exclusive in this IA or in the Other Agreements, the rights and remedies of the Parties are cumulative and the exercise by a Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by another Party.

13.6 Termination by Either Party. Notwithstanding any other provision of this IA, no Party may terminate this IA prior to the Closing unless and until a condition precedent to such Party's obligations under this IA as set forth in Article III above has not been satisfied or waived

by the Outside Date. Upon such termination (unless as a result of a default by the non-terminating Party), none of the Parties shall be entitled to recover any damages and the City hereby releases, remises and forever discharges all of the other Parties and all of the other Parties hereby release, remise and forever discharge the City from all losses, costs and expenses which the releasing Party may incur arising from or relating to the transactions contemplated by or the termination of this IA, the Other Agreements or the MOU; except for the Developer's obligations under the Evaluation Phase Agreement and the Major Projects Trust Fund Agreement which expressly survive such termination. The provisions of this Section 13.6 shall survive the termination of this IA.

13.7 Discretionary Actions. The failure of the City to take a Discretionary Action shall in no event be considered to be a default or failure on the part of the City or result in any liability whatsoever on the part of the City to Developer under this IA, or the Other Agreements.

Article XIV – Representations and Warranties

14.1 Representations and Warranties of Developer. Each Party to this IA other than the City represents and warrants to the City, as of the Effective Date, as follows:

(a) Organization. It is duly organized, validly existing and in good standing under the laws of the state in which it was formed, with full power and authority to conduct its business as presently conducted and to execute, deliver and perform its obligations under this IA and the Other Agreements.

(b) Authorization. It has taken all necessary action to authorize its execution, delivery and, subject to any conditions set forth in this IA, performance of the IA. Upon the Effective Date, this IA shall constitute a legal, valid and binding obligation of such Party, enforceable against it in accordance with its terms.

(c) No Conflict. The execution, delivery and performance of this IA and the Other Agreements by such Party does not and will not conflict with, or constitute a violation or breach of, or constitute a default under (i) the charter or incorporation documents of such Party, (ii) any applicable law, rule or regulation binding upon or applicable to the Developer, or (iii) any material agreements to which such Party is a party.

(d) No Litigation. Unless otherwise disclosed in writing to the City prior to the Effective Date, there is no existing or, to such Party's knowledge, pending or threatened litigation, suit, action or proceeding before any court or administrative agency affecting such Party or the Site that would, if adversely determined, adversely affect such Party or the Site or such Party's ability to perform its obligations under this IA or the Other Agreements or to develop the Project and operate the Event Center and the New Parking Structures.

(e) Ownership of Developer. Such Party is a wholly-owned entity in a chain of entities, each entity in which is owned or controlled by Philip F. Anschutz.

14.2 Representations and Warranties of City. The City represents and warrants to the Developer, as of the Effective Date, as follows:

(a) Organization. The City is a charter city and a municipal corporation duly organized and validly existing under the laws of the State of California and the Charter of the City of Los Angeles. The City has full power and authority to conduct its business as presently conducted and to execute, deliver and perform its obligations under this IA and the Other Agreements.

(b) Authorization. The City has taken all necessary action to authorize its execution, delivery and, subject to any conditions set forth in this IA, performance of this IA. Upon the Effective Date, this IA shall constitute a legal, valid and binding obligation of the City, enforceable against it in accordance with its terms.

(c) No Conflict. The execution, delivery and performance of this IA by the City does not and will not conflict with, or constitute a violation or breach of, or constitute a default under (a) the charter documents of the City, (b) any applicable law, rule or regulation binding upon or applicable to the City, or (c) any material agreements to which the City is a party.

(d) Title to Event Center and New Parking Structures Site. The City owns fee simple title to the Event Center Site and the New Parking Structures Site, which, as of the Effective Date, is subject only to (i) the Permitted Encumbrances and (ii) the liens of the Existing Leasehold Interests relating to the Existing Securities. From and after the Effective Date, the City shall not impose, or permit the imposition of, any additional liens or encumbrances against the Event Center Site or the New Parking Structures Site, except those which are approved by EventCo or ParkingCo, as applicable, as Permitted Encumbrances.

(e) Hazardous Substances. Unless otherwise disclosed in writing to the Developer prior to the Effective Date, except as disclosed by the Phase I Investigations, no Hazardous Substances affecting the Properties are Known to the City.

(f) No Litigation. Unless otherwise disclosed in writing to the Developer prior to the Effective Date, there is no existing or, to the City's Knowledge, pending or threatened litigation, suit, action or proceeding before any court or administrative agency affecting the City or the Site that would, if adversely determined, adversely directly affect the City, the Site or the Developer's ability to develop and operate the Project thereon.

(g) Notice. The City has disclosed to the Developer all material matters Known to it regarding the soil, the geology and the presence of unknown faults or defects in the Site and the suitability of the Site for the development to be constructed thereon.

14.3 Matters Known to Public Entities. For purposes of this IA, the determination of whether a matter is "Known" to the City or that the City "Knows" of a matter shall be made as follows: For matters which affect the Event Center Site or the New Parking Structures Site, it shall be deemed "Known" to the City only if such matter (a) was actually known by those certain City personnel working on the transactions contemplated by this IA, or (b) could reasonably

have been discovered by due inquiry on the part of such personnel (which inquiry shall be satisfied by reasonable investigation of City records and discussions with other City personnel who are likely to have material knowledge regarding matters affecting the relevant property).

Article XV – Special Provisions

15.1 Nature of Actions of the Parties.

15.1.1 Proprietary and Governmental Roles; Actions by Parties. Except where clearly and expressly provided otherwise in this IA, the capacity of the City in this IA shall be as ground lessor only ("**Proprietary Capacity**"), and any obligations or restrictions imposed by this IA on the City shall be limited to that capacity and shall not relate to, constitute a waiver of, supersede or otherwise limit or affect the governmental capacities of the City, including, without limitation, enacting laws, inspecting structures, reviewing and issuing permits, and all of the other legislative and administrative or enforcement functions of each pursuant to federal, state or local law ("**Governmental Capacity**"). Whenever not expressly otherwise stated, (i) the City, when acting in its Proprietary Capacity, shall not unreasonably withhold its approval with respect to matters requiring its approval hereunder, (ii) the other Parties shall not unreasonably withhold its approval with respect to matters requiring their respective approval hereunder, and (iii) the City when acting in its Governmental Capacity, shall be permitted to utilize its sole discretion with respect to matters requiring its approval and nothing in this IA shall be construed to limit that discretion.

15.1.2 Discretionary Actions Still Required. The Parties agree that (i) the City is not legally authorized to make, and has not by executing this IA made, any commitment or guaranty with respect to approval and certification of any Discretionary Action which has not yet been approved or certified or any ministerial action dependent upon or reasonably related to such Discretionary Action, (ii) such approvals and certifications may only be given after the relevant decision-making bodies, exercising their independent judgment, have acted in their Governmental Capacities to approve or deny each required Discretionary Action in accordance with applicable laws, rules and regulations, and (iii) nothing in this IA shall supersede or waive or limit the rights of the City with respect to any discretionary or regulatory approvals required to be obtained from any Government Entities under applicable federal, state or local law.

15.1.3 Actions by Staff. In order to facilitate efficient Project management: (i) as to matters which by law, City policy or otherwise are not so material as to require City Council action, City approvals or disapprovals required under this IA shall be given by the , the City Construction Coordinators, or the legislative or administrative officers for the City, (ii) as to matters which by law, City policy or otherwise are so material as to require City Council action, the City's approvals or disapprovals shall be given by the City Council, and (iii) the determination by the City as to whether a matter is material or not material for the foregoing purpose shall be conclusive.

15.2 Public Entity Staff. The City agrees to expedite consideration of the Initial Entitlements, as well as any other entitlements or approvals that may be required in connection with development of the Project.

15.3 Coordinating Committee. The City agrees to form a Coordinating Committee which will coordinate with the Developer to identify and discuss any Convention Center, Event Center, New Parking Structures related issues which, under the provisions of this IA or the Other Agreements, require the coordination or cooperation of the Developer and the City other than construction issues and OOC issues. Such Coordinating Committee will be comprised of one representative each of the CLA, the CAO, the City Attorney and the Convention Center and one representative of the Developer, and shall be formed and governed in accordance with the rules and criteria established by its members.

15.4 Litigation Regarding Project. If any person or entity not a party to this IA brings litigation challenging the validity of this IA, the City's approval of this IA, the Other Agreements, the FEIR, the Entitlements or any Discretionary Action taken by the City pursuant to this IA or the Other Agreements, the Parties shall cooperate to defend against such litigation. Developer shall advance the necessary funds as and when needed or reimburse the City and, at the option of the sued party, for all reasonable costs the City incurs in defending against the litigation described in the preceding sentence including, without limitation, any costs of settlement approved by Developer or any judgment rendered in such litigation promptly following a written request for such reimbursement accompanied by reasonable back-up information as to the amount and nature of the activities for which reimbursement is requested.

15.5 Convention Center Improvements Due to Event Center. The Developer shall reimburse the City for all costs reasonably incurred by the City and/or the Convention Center for physical improvements or modifications which must be made at the Convention Center, and in particular to the West Hall Lobby, to the extent they are directly necessitated by physical improvements or modifications at the Event Center or the New Parking Structures (but not those necessitated by anticipated increases in attendance at the Convention Center or by development of the New Hall), including, without limitation, relocation of roadways, sidewalks, delivery areas, bus, taxi and shuttle bus staging areas and modifications of signage at the Convention Center. Such reimbursement shall be made promptly following a written request for reimbursement accompanied by reasonable back-up information regarding the improvements or modifications and the cost thereof.

15.6 Termination of West Hall/Cherry Street Garage Agreement. The City entered into that certain Parking Lease (the "**Existing Parking Lease**") between the City and ArenaLandCo, dated November 10, 2005. A Memorandum of Lease (the "**Memorandum of the Existing Parking Lease**") dated November 10, 2005 was recorded on November 21, 2005 as Instrument No. 05-2833324 in the Official Records of Los Angeles County, California in order to provide record notice of the Existing Parking Lease. City and ArenaLandCo each hereby acknowledge and agree that (i) effective as of ParkingCo's possession of the L.A. Live Way Garage Site, ArenaLandCo's rights to park in the existing Cherry Street garage under the Existing Parking Lease and the Memorandum of the Existing Parking Lease shall be automatically deemed terminated and shall have no further force or effect, without any further action or instrument required, and (ii) effective as of EventCo's possession of the Event Center Site, ArenaLandCo's rights to park in the existing West Hall garage under the Existing Parking Lease and the Memorandum of the Existing Parking Lease shall be automatically deemed

terminated and shall have no further force or effect, without any further action or instrument required, and that by each of their respective signatures on this IA, the City and ArenaLandCo each confirms its agreement to the terms and provisions of this Section 15.6. ParkingCo and ArenaLandCo each agrees that upon the termination of the Existing Parking Lease, the City shall be relieved of its obligation under the Existing Parking Lease to provide ArenaLandCo with any parking rights, and ParkingCo and ArenaLandCo will enter into a mutually agreeable parking agreement pursuant to which ParkingCo will grant certain parking rights to ArenaLandCo in the L.A. Live Way Parking Garage for the benefit of ArenaLandCo's use and operation of Staples Center Arena.

15.7 Ordinance Mandated Provisions.

15.7.1 Attached Ordinance Provisions. The Parties to this IA hereby acknowledge that the City of Los Angeles Administrative Code contains various ordinances that mandate certain provisions in certain types of agreements to which City is a party. Some of such ordinances are codified in the following City of Los Angeles Administrative Code Sections:

(a) Section 10.8 (Mandatory Provisions Pertaining to Non-discrimination in Employment in the Performance of City Contracts), including without limitation Section 10.8.2 (Non-discrimination clause), Section 10.8.2.1 (Equal Benefits Ordinance), Section 10.8.3 (Equal Employment Practices Provisions), and Section 10.8.4 (Affirmative Action Program Provisions), all of which are set forth in *Attachment No. 14-A*.

(b) Section 10.10 (Child Support Assignment Orders), which is set forth in *Attachment No. 14-B*.

(c) Section 10.36 (Service Contractor Worker Retention), which is set forth in *Attachment No. 14-C*.

(d) Section 10.37 (Living Wage), which is set forth in *Attachment No. 14-D*.

(e) Section 10.40 (Contractor Responsibility Program), which is set forth in *Attachment No. 14-E*.

(f) Section 10.41 (Regulations Regarding Participation in or Profits Derived from Slavery by any Company Doing Business with the City), which is set forth in *Attachment No. 14-F*.

(g) Section 10.44 (First Source Hiring), which is set forth in *Attachment No. 14-G*.

(h) Section 10.45 (Public Infrastructure Stabilization Ordinance), which is set forth in *Attachment No. 14-H*.

(i) Section 10.47 (Local Business Preference Program), which is set forth in *Attachment No. 14-I*.

The Parties agree that the applicability of the above-referenced Administrative Code Sections to this IA will need to be determined from time to time during the Term, and such determination shall be made in accordance with and pursuant to such Administrative Code Sections, the rules and regulations, if any, promulgated therefor, all judicial and /or regulatory determinations interpreting, administering, and/or applying in any way to such Administrative Code Sections or the enforcement thereof. To the extent any of the Administrative Code Sections listed above is determined to be applicable to this IA: (i) this IA shall be subject to such Administrative Code Section, as amended, (ii) the Parties shall comply, and to the extent required by such ordinance, ensure compliance with all applicable obligations and requirements set forth in such Administrative Code Section, as amended; and (iii) to the extent such Administrative Code Section requires inclusion in this IA certain language or provision, the Parties hereto agree that such language/provision shall be deemed included in this IA (with the appropriate adjustment for defined terms) and shall have the same effect as if it were fully set forth in this Section 15.7. Additionally, to the extent that Section 10.10 (Child Support Assignment Order) of the Administrative Code: (i) is applicable to this IA and (ii) contains terms and provisions that conflict with terms and provisions of this IA, the terms and provisions of Section 10.10 of the Administrative Code shall govern.

15.7.2 Tax Registration Certificates And Tax Payments. This Section 15.7.2 is applicable where any of the Parties are engaged in business within the City of Los Angeles and they are required to obtain a Tax Registration Certificate (“TRC”) pursuant to one or more of the following article (collectively “**Tax Ordinances**”) of Chapter II of the Los Angeles Municipal Code: Article 1 (Business Tax Ordinance) [section 21.00, et seq.], Article 1.3 (Commercial Tenant’s Occupancy Tax) [section 21.3.1, et seq.], Article 1.7 (Transient Occupancy Tax) [section 21.7.1, et seq.], Article 1.11 (Payroll Expense Tax) [section 21.11.1, et seq.], or Article 1.15 (Parking Occupancy Tax) [section 21.15.1, et seq.]. Prior to the execution of this IA, each Party, other than the City, shall provide to the City Administrative Officer proof satisfactory to the City Administrative Officer that the Party has the required TRCs and that the Party is not then currently delinquent in any tax payment required under the Tax Ordinances. The City may terminate this IA upon thirty (30) days’ prior written notice to each Party if the City determines that such Party failed to have the required TRCs or was delinquent in any tax payments required under the Tax Ordinances at the time of entering into this IA. The City may also terminate this IA upon ninety (90) days prior written notice to the Developer at any time during the Term of this IA if any of the Parties fail to maintain required TRCs or becomes delinquent in tax payments required under the Tax Ordinances and such Party fails to cure such deficiencies within the ninety (90) day period (in lieu of any time for cure provided in this IA).

Article XVI – Environmental Provisions

16.1 Acceptance of Property. The City has disclosed to the Developer certain reports and other documentation described in *Attachment No.13* (the “**Reports**”) relating to the condition of (including the potential presence of Hazardous Substances on) the Property. The Developer hereby acknowledges that (i) it has fully reviewed the Reports and is aware of their contents, (ii) that it has had sufficient opportunity to review, investigate, study and conduct tests in, on and under the Property and (iii) that the Property may contain Hazardous Substances.

Notwithstanding the foregoing, the Developer hereby accepts the Property in an AS-IS condition based upon the Developer's examination of the Property and not upon any warranty, promises or representations, express or implied, by or on behalf of the Public Entities except to the extent specifically provided for in this IA or the Ground Leases. Except for such representations and warranties of the City made in the IA and/or the Ground Leases, all of the City's statements, whether written or oral, concerning the environmental or other condition of the Property, including, without limitation, its disclosure of the Reports, have been made as an accommodation to the Developer and without any representation or warranty as to the accuracy thereof.

16.2 No Waiver. Nothing set forth in this Article shall restrict the right of any Party hereto to make a claim of misstatement or misrepresentation against any other Party hereto with respect to the Hazardous Substances representations and warranties set forth in the IA or the Event Center Ground Lease or the New Parking Structures Ground Leases, subject to applicable notice and cure periods and limitation on remedies set forth in this IA, the Event Center Ground Lease and the New Parking Structures Ground Lease.

Article XVII – General Provisions

17.1 Indemnification. The Developer does hereby indemnify and agree to forever save and hold harmless the Government Entities, and their respective 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 construction of the Project, this IA, the Entitlements for the Project, or CEQA or other challenges to approval of the Project (including the Other Agreements), except to the extent attributable to the active negligence or willful misconduct of the City ; provided, however, that, this indemnity shall not apply to a determination that the Existing Securities or the Defeased Securities have lost their tax-exempt status on the basis of the Transactions. All indemnities by any Party pursuant to this IA shall be effective as of the Approval Date of this IA and shall survive the termination of this IA.

17.2 Insurance. Developer shall obtain and maintain the insurance required in the Event Center Ground Lease, the New Parking Structures Ground Leases and the REA.

17.3 Notices, Demands and Communications between the Parties. Formal notices, demands, and communications between the Parties shall be sufficiently given if dispatched by registered or certified mail, postage prepaid, return receipt requested, to the principal offices of the City and the Developer, as designated in Section 1.6, above, 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 as either party may from time to time designate by mail as provided in this Section 17.3. Any Party may change its address or the name and address of its attorneys by giving notice in compliance with this Section 17.3. When any notice is given, it shall also be given to the following additional parties but the failure to give the additional notice shall not invalidate the notice given to a Party. Copies of notices shall be given as follows:

(a) The City of Los Angeles:

City of Los Angeles
City Administrative Officer
1500 City Hall East
North Main Street
Los Angeles, California 90012
Attention: Debt Management Group

Fax No. 213-473-7511

And City of Los Angeles
Chief Legislative Analyst
200 North Spring Street, Suite 255
Los Angeles, California 90012

Fax No. 213-485-8983

And Los Angeles Convention Center
1201 South Figueroa Street
Los Angeles, California 90015
Attention: General Manager and CEO

Fax No. 213-765-4267

And City Attorney of the City of Los Angeles
800 City Hall East
200 North Main Street
Los Angeles, California 90012
Attention: Managing Assistant,
Real Estate/Environmental Division

Fax No. 213-978-8090

(b) The Developer and ArenaLandCo

c/o AEG
800 West Olympic Boulevard, Suite 305
Los Angeles, California 90015
Attn: Ted Fikre, Esq.

Fax No.: 213-742-7294

17.4 Conflict of Interests. No member, official or employee of the City shall have any personal interest, direct or indirect, in this IA or the Other Agreements nor shall any such member, official or employee participate in any decision relating to this IA or the Other Agreements which affects his or her personal interests or the interests of any corporation, partnership or association in which he, or she, is, directly or indirectly, interested.

17.5 Warranty Against Payment of Consideration for Agreement. The Developer warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this IA or the Other Agreements.

17.6 Non-Liability of City Officials, Employees and Contractors. No member, official, employee, or consultant of the City shall be personally liable to the Developer, 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 the Developer or to its successor, or on any obligations under the terms of this IA or the Other Agreement.

17.7 Broker's Commission; Indemnity. Neither party has had any contact or dealings regarding the Property, or any communication in connection with the subject matter of this transaction, through any licensed real estate broker or person who can claim a commission or finder's fee as a procuring cause of the sale contemplated in this Agreement. If any broker or finder perfects a claim for a commission or finder's fee based on any contract, dealings, or communication with a party ("**Indemnifying Party**"), then the Indemnifying Party shall indemnify, defend, and hold the other party ("**Non-indemnifying Party**") harmless from all costs and expenses (including reasonable attorney fees and costs of defense) incurred by the Non-indemnifying Party in connection with such claim.

17.8 Applicable Law. This IA shall be construed in accordance with and governed by the internal laws (without reference to choice or conflict of laws), of the State of California.

17.9 Force Majeure. Subject to clause (c) of this Section 17.9, a Party shall be excused from performance and shall not be considered to be in default with respect to any obligation hereunder, if and to the extent that its failure or, or delay in, performance is due to a Force Majeure Event; provided that (a) as soon as reasonably practicable, such Party gives the other Party written notice describing the particulars of the Force Majeure Event; (b) the suspension of performance is of no greater scope and of no longer duration than is reasonably required by the Force Majeure Event; (c) the Party uses reasonable commercially efforts to overcome or mitigate the effects of such occurrence; and (d) when the Party is able to resume performance of its obligations under this Lease, such Party shall give the other Party written notice to that effect and shall promptly resume performance hereunder. Notwithstanding the foregoing, this Section 17.9 shall not apply to the time for payment of rent or any other monetary obligation.

17.10 Severability. If any term, provision, covenant restriction of this IA 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 IA 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.

17.11 Interpretation. This IA shall be interpreted in accordance with its fair meaning and shall not be interpreted in favor of any particular Party.

17.12 Amendments and Waivers. This IA may only be amended in writing signed by all Parties. Any provision of this IA may only be waived in writing signed by the Party against whom the waiver is effective.

17.13 Construction. Headings at the beginning of each article, section and subsection are solely for the convenience of the Parties. Whenever required by the context of this IA, the singular shall include the plural and the masculine shall include the feminine and vice versa. Unless otherwise indicated, all references to articles, sections and subsections are to this IA. In the event that any action under the terms of this IA is not a business day, the action shall be taken on the next succeeding business day. For the purposes of this IA, the term "business day" shall not include Saturdays, Sundays or City legal holidays.

17.14 Counterparts. This IA may be executed in duplicate counterparts, each of which shall be an original, but all of which together shall constitute one and the same agreement.

17.15 No Third Party Beneficiaries. No person or entity other than the Developer, the City and the Authority shall have any right, benefit or obligation under this IA as a third party beneficiary or otherwise.

17.16 Recordation Updates. From time to time, as this IA or portions thereof expire or cease to be applicable to the Site, or any portions thereof, upon reasonable request by any Party, the other Parties shall join in executing a recordable document confirming the expiration or inapplicability as a matter of record.

17.17 Entire Agreement; Merger. This IA shall be executed in duplicate originals each of which is deemed to be an original. This IA including the Attachments and Exhibits to this IA, and the Other Agreements and their attachments, constitute the entire understanding and agreement of the Parties as to the subject matters of this IA. This IA integrates all of the terms and conditions mentioned herein incidental hereto, and supersedes all negotiations or previous agreements between the Parties. None of the terms, covenants, agreements or conditions set forth in the IA shall be deemed to be merged with the Event Center Ground Lease leasing the Event Center Site or the New Parking Structures Ground Leases leasing the New Parking Structures Site, and this IA shall continue in full force and effect during the term of this IA.

17.18 Successors and Assigns; Runs with the Land. This IA, together with the Attachments attached hereto and forming a part hereof, shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and assigns. The terms, Restrictions, covenants and conditions of this IA shall run with the Site and shall be binding equitable servitudes upon such burdened property and each Person having or acquiring any right, title or interest in such burdened property, or any part thereof, or any improvements thereon, and

upon their respective successors and assigns and shall run for the benefit of the Site or portions thereof entitled to the performance and benefit of such terms, Restrictions, covenants and conditions and each Person having or acquiring any right, title or interest in such benefitted property or any part thereof or any improvements thereon and upon their respective successors and assigns. Any such burdened or benefitted Person shall automatically, as of the effective date of the assignment or conveyance, (a) succeed to the rights herein with respect to the parcel or parcels in which such right, title or interest was acquired only, and (b) be deemed to have assumed the obligations with respect to the parcel or parcels in which such right, title or interest was acquired only, hereunder accruing after such effective date.

IN WITNESS WHEREOF, the Parties hereto have caused this Implementation Agreement to be duly executed by their respective authorized officers as of the Effective Date.

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

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

APPROVED AS TO FORM:

ATTEST:

CARMEN A. TRUTANICH, City Attorney

JUNE LAGMAY, City Clerk

By: _____

By: _____

Name: _____
Deputy

Name: _____ Title: _____

Date: _____

Date: _____

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

By: _____
Name:
Title:
Date: _____

L.A. ARENA LAND COMPANY, LLC, a
Delaware corporation

By: _____
Name:
Title:
Date: _____

L.A. CONVENTION HALL LLC, a
Delaware limited liability company

By: _____
Name:
Title:
Date: _____

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

By: _____
Name:
Title:
Date: _____