



ANTONIO R. VILLARAIGOSA  
*Mayor*

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BARBARA E. MOSCHOS, *Secretary*

RONALD O. NICHOLS  
*General Manager*

March 20, 2013

The Honorable City Council  
City of Los Angeles  
Room 395, City Hall  
Los Angeles, California 90012

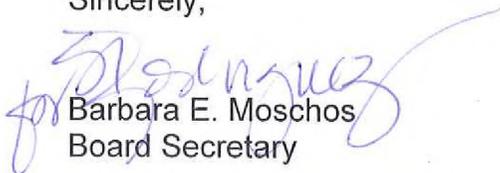
Honorable Members:

Subject: Approving the New Surplus Water Supply Augmentation Agreement with  
Universal Studios LLC

Pursuant to Charter Section 373, enclosed for approval by your Honorable Body is Resolution No. 013 210, adopted by the Board of Water and Power Commissioners on March 19, 2013, approved as to form and legality by the City Attorney, authorizing the approval of the Surplus Water Supply Augmentation Agreement for NBC Universal to ensure a long-term reliable water supply. As directed by the Board, transmitted to you are supporting documents.

If there are any questions regarding this item, please contact Ms. Winifred Yancy, Manager of Intergovernmental Affairs and Community Relations, at (213) 367-0025.

Sincerely,

  
Barbara E. Moschos  
Board Secretary

BEM:sar

Enclosures: LADWP Resolution  
Board Letter  
Surplus Water Supply Augmentation Agreement

**Water and Power Conservation ... a way of life**

111 North Hope Street, Los Angeles, California 90012-2607 Mailing address: Box 51111, Los Angeles 90051-5700  
Telephone: (213) 367-4211 Cable address: DEWAPOLA



c/enc: Mayor Antonio Villaraigosa  
Councilmember Jose Huizar, Chair, Energy and the Environment Committee  
Gerry F. Miller, Chief Legislative Analyst  
Miguel A. Santana, City Administrative Officer  
Rafael Prieto, Legislative Analyst, CLA  
William R. Koenig, Chief Administrative Analyst  
Winifred Yancy

RESOLUTION NO. 013 210

WHEREAS, Universal Studios LLC (NBCU) proposes a major new development on its Universal Property that will increase water demand; and

WHEREAS, the development of the NBC Universal Evolution Plan Project (Project) on its Universal Property will occur on both jurisdictional boundaries of the City of Los Angeles (City) and unincorporated area of the County of Los Angeles (County); and

WHEREAS, on May 4, 2010, the Board of Water and Power Commissioners (Board) approved the original Surplus Water Supply Augmentation Agreement for NBC Universal (Original Agreement) between the Los Angeles Department of Water and Power (LADWP) and NBC Universal, Inc. under Resolution No. 010 314; and

WHEREAS, the Original Agreement was received and filed without approval at the July 2, 2010 Los Angeles City Council (City Council) meeting, and was subsequently never fully executed by all parties; and

WHEREAS, NBCU (developer/property owner) has since revised the scope for the Project and submitted the revised scope to LADWP on November 1, 2012; and

WHEREAS, a new Surplus Water Supply Augmentation Agreement for NBC Universal (Agreement) is required and hereby prepared to reflect the revised scope and water demands, and the updated terms and conditions associated with NBCU's payment contributions towards the capital facilities for the Surplus Water exceeding the historical water demands; and

WHEREAS, a Water Supply Assessment (WSA) for the original Project scope was approved by the Board on May 4, 2010, under Resolution No. 010 315; and

WHEREAS, the revised Project scope resulted in a corresponding reduction in net water demand that does not exceed the prior approved WSA's net increase in water consumption, and no additional WSA is required for the revised scope in accordance with the Water Code Section 10910; and

WHEREAS, this new Agreement replaces and supersedes the Original Agreement; and

WHEREAS, the Agreement requires NBCU to provide annual Surplus Water for net new City water demand, and provide annual Surplus Water for net new County water demand upon declaration by LADWP's General Manager; and

WHEREAS, NBCU will provide Surplus Water in the form of groundwater pumping rights in the local Central and/or West Coast Groundwater Basins; and

WHEREAS, NBCU will pay LADWP the capital costs for the groundwater facilities required to pump the Surplus Water; and

WHEREAS, the proposed Agreement has a term of 50-years upon approval by the Board and City Council; and

WHEREAS, LADWP and NBCU negotiated the Agreement, approved as to form and legality by the City Attorney, for NBCU to provide Surplus Water to LADWP, a copy of which is on file with the Secretary of the Board.

NOW, THEREFORE, BE IT RESOLVED, that the Board rescinds its approval of the Original Agreement, approves the new Agreement, and recommends approval by City Council of the new Agreement to supply water to NBCU's Universal Property.

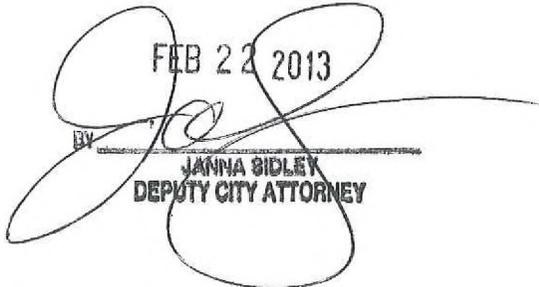
BE IT FURTHER RESOLVED, that upon approval by City Council, the General Manager, or such person as the General Manager shall designate in writing as his designee, and the Secretary, Assistant Secretary, or the Acting Secretary of the Board are hereby authorized, empowered, and directed to execute said Agreement for and on behalf of LADWP.

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of a resolution adopted by the Board of Water and Power Commissioners of the City of Los Angeles at its meeting held MAR 19 2013

  
Secretary

APPROVED AS TO FORM AND LEGALITY  
CARMEN A. TRUTAMCH, CITY ATTORNEY

FEB 22 2013

  
BY  
JANNA SIDLEY  
DEPUTY CITY ATTORNEY

**LOS ANGELES DEPARTMENT OF WATER AND POWER (LADWP) BOARD APPROVAL LETTER**

<b>TO: BOARD OF WATER AND POWER COMMISSIONER</b>		<b>DATE: February 21, 2013</b>
 <hr/> <b>JAMES B. McDANIEL</b> Senior Assistant General Manager – Water System		<b>SUBJECT:</b>  <b>Surplus Water Supply Augmentation                  Agreement for NBC Universal</b>
		<b>FOR COMMISSION OFFICE USE:</b>  RESOLUTION NO. _____
<hr/>		
<b>CITY COUNCIL APPROVAL                  REQUIRED: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></b>	<b>IF YES, BY WHICH CITY                  CHARTER SECTION: 373</b>	

**PURPOSE**

Transmitted for your review and approval is the new Surplus Water Supply Augmentation Agreement for NBC Universal (Agreement) between LADWP and Universal Studios LLC (NBCU). The Board of Water and Power Commissioners (Board) approved the original Surplus Water Supply Augmentation Agreement for NBC Universal (Original Agreement) on May 4, 2010, under Resolution No. 010 314. However the Original Agreement was received and filed without approval at the July 2, 2010, Los Angeles City Council (City Council) meeting. The Original Agreement was subsequently never fully executed by all parties. On November 1, 2012, NBCU (developer/property owner) submitted to LADWP the revised NBC Universal Evolution Plan Project (Project) scope. This new Agreement was prepared based on the revised scope, and replaces and supersedes the Original Agreement.

NBCU intends to develop the Project on the Universal Property, a parcel of land comprising approximately 391 acres in the eastern San Fernando Valley region of Los Angeles County which NBCU owns. The development of the Project will occur on both jurisdictional boundaries of the City of Los Angeles (City) and unincorporated area of the County of Los Angeles (County). In connection with the implementation of the Project, adjustments will be made to the jurisdictional boundaries of the City and County areas on the Universal Property.

The proposed new Agreement reflects the revised Project scope and corresponding water demands, and incorporates the updated terms and conditions associated with

NBCU's payment contributions towards the capital facilities for the Surplus Water exceeding the historical water demands. Surplus Water is water or water rights acquired by NBCU and delivered to LADWP under the provisions of the Agreement.

The Agreement was prepared in order to ensure a long-term reliable water supply for the Project on the Universal Property. A Water Supply Assessment (WSA) for the original project scope was approved by the Board on May 4, 2010, under Resolution No. 010 315. The revised Project scope resulted in a corresponding reduction in net water demand that does not exceed the prior approved WSA's net increase in water consumption. Therefore, no additional Water Supply Assessment is required for the revised scope in accordance with the Water Code Section 10910.

### **COST AND DURATION**

Under the proposed Agreement, NBCU will provide LADWP with three major types of contributions and other payments. All Capital and Supplemental Capital Facilities Contributions are denominated in January 1, 2010, dollars and will be escalated using the Engineering News-Record Construction Cost Index.

- **Capital Facilities Contribution**

NBCU will make a contribution of \$943 per acre-foot for capacity improvements to the groundwater pumping facility to extract, convey, and take delivery of the Surplus Water as follows:

City Demand:

When the water demand attributable to the City area of the Project exceeds 225.7 acre-feet per year (50 acre-feet per year over the Historical City Demand of 175.7 acre-feet per year) in the first Water Year (defined as July 1 to June 30), NBCU will make a payment of \$190,108.80. This amount reflects the estimated maximum Net New City Demand at full build-out of 201.6 acre-feet per year at \$943 per acre-foot.

County Demand:

When the water demand attributable to the County area of the Project exceeds 1,002.9 acre-feet per year (50 acre-feet per year over the Historical County Demand of 952.9 acre-feet per year) in the first Water Year, and the General Manager of LADWP makes a

written determination, NBCU will make a payment of \$1,294,173.20. This amount reflects the estimated maximum Net New County Demand at full build-out of 419.5 acre-feet per year plus Historical County Demand of 952.9 acre-feet per year at \$943 per acre-foot.

- Supplemental Capital Facilities Contribution

NBCU's Capital Facilities Contribution provides for capacity improvements for the Net New City Demand, Net New County Demand, and Historical County Demand Surplus Water totaling 1,574 acre-feet per year. Unanticipated increases in future Net New City Demand and Net New County Demand, should they occur, will require the payment of Supplemental Capital Facilities Contributions to compensate for increased Surplus Water pumping capacity necessary to produce the increased Purchase Quantity beyond anticipated amount. Purchase quantity is the quantity of Surplus Water that is required to offset Net New City Demand and Net New County Demand. NBCU has no obligation under this Agreement to deliver Surplus Water to offset Historical County Demand, but may elect to deliver supplemental Surplus Water to offset Historical County Demand.

Initial non-recurring Supplemental Contribution:

When the Purchase Quantity is equal to or greater than initial baseline of 1,993 acre-feet per year, NBCU will pay an amount reflecting the difference between the Purchase Quantity and 1,574 acre-feet per year at \$943 per acre-foot.

Subsequent Supplemental Capital Facilities Contribution:

The Purchase Quantity of the previous Water Year becomes the new baseline. When the Purchase Quantity of the current Water Year exceeds the new baseline by 100 acre-feet per year, NBCU will pay an amount reflecting the difference between the current Purchase Quantity and 1,574 acre-feet per year at \$943 per acre-foot.

- Water Rates

City Rates:

For delivery of Surplus Water to the Universal Property, NBCU, and the customers of LADWP on the Universal Property within the boundaries of the City will pay the applicable LADWP rates for service inside the City boundaries, as adopted by City Ordinance No. 170435, as amended by Ordinance Nos. 171639, 173017, 175964, 177968, and 179802, and as may be amended in the future.

County Rates:

For delivery of Surplus Water to the Universal Property, NBCU, and the customers of LADWP on the Universal Property outside the boundaries of the City will pay the applicable LADWP rates for service outside the City as adopted by City Ordinance No. 170435, as amended by Ordinance Nos. 171639, 173017, 175964, 177968, and 179802, and as may be amended in the future.

In addition to the above mentioned costs, NBCU will pay the full and complete cost required to secure water rights for the Surplus Water, such as for acquiring the Surplus Water and making the Surplus Water available to LADWP, including any third party approval costs assessed as a condition of approval within the adjudicated areas.

NBCU acknowledges its responsibility to pay for all necessary recycled and potable water distribution facilities on the Universal Property sufficient to meet the demands of the Universal Property.

In the event that NBCU fails to deliver the Purchase Quantity to LADWP within twenty-four months following the accrual of the obligation, then NBCU shall pay to LADWP a default charge equal to the product of:

- (a) the number of acre-feet by which the Purchase Quantity is deficient;
- (b) the highest cost per acre-foot paid by LADWP to the Metropolitan Water District for the specific Water Year to cover NBCU's demand, plus any regulatory penalty rates or charges whatever they may be, provided that the highest cost does not include civil or regulatory penalties for negligence, malfeasance, or misconduct by LADWP; and

- (c) a 20 percent surcharge to compensate LADWP for administrative costs associated with acquiring this additional water.

The proposed Agreement is for a 50-year term, and requires approval by both the Board and City Council.

### **BACKGROUND**

The Board approved the WSA for the NBC Universal Evolution Plan Project on May 4, 2010, under Resolution No. 010 315. The Project originally consisted of an estimated 2,937 residential units and estimated 2.01 million square feet of net new commercial uses. The estimated net new potable water demand was 1,003.1 acre-feet per year (650.4 acre-feet per year for the City and 352.7 acre-feet per year for the County). The estimated total recycled water demand was 351.0 acre-feet per year (159.0 acre-feet per year for the City and 192.0 acre-feet per year for the County).

On November 1, 2012 NBCU provided LADWP with a revised Project scope. The revised Project consists of an estimated 2.68 million square feet of net new commercial uses and deletion of the prior 2,937 residential units scope of work. The net new commercial uses increased by 0.67 million square feet from the original Project scope. The estimated net new potable water demand is 621.1 acre-feet per year, consisting of 201.6 acre-feet per year for the City area of the Project and 419.5 acre-feet per year for the County area of the Project. The estimated total recycled water demand is 220.0 acre-feet per year, consisting of 39.0 acre-feet per year for the City area of the Project and 181.0 acre-feet per year for the County area of the Project.

The Net New City and County Water Demands from the proposed Project are the demands that exceed the Historical Water Demands and not accounted for in the current Urban Water Management Plan (UWMP). Therefore, NBCU will be required to provide Surplus Water to offset the Net New Water Demands from the Project. Per the terms and conditions of the proposed Agreement, NBCU will provide LADWP with leased pumping rights in the Central and/or West Coast groundwater basin to offset increased annual water deliveries to the portion of the Project within the City and County following each Water Year. LADWP currently has pumping rights and groundwater extraction facilities in the Central Basin. LADWP will pump the additional groundwater supplies into the water distribution system.

The revised Project scope resulted in a corresponding reduction in net water demand that does not exceed the prior approved WSA's net increase in water consumption. Therefore, no additional Water Supply Assessment is required for the revised scope in accordance with the Water Code Section 10910.

Agreement Summary

- Initiate Delivery of Surplus Water – NBCU will initiate delivery of Surplus Water to offset Net New City Demand in the first Water Year when the City water demand increases by more than 50 acre-feet per year over the Historical City Demand of 175.7 acre-feet per year. NBCU will initiate delivery of Surplus Water to offset Net New County Demand in the first Water Year when the demand attributable to County area of the Project increases by more than 50 acre-feet per year over the Historical County Demand of 952.9 acre-feet per year and upon a written determination by the General Manager of LADWP.
- Subsequent Years – NBCU will continue to deliver Surplus Water to offset each year's Net New City Demand. NBCU will continue to deliver Surplus Water to offset Net New County Demand in each year the General Manager of LADWP makes a written determination.
- NBCU will deliver Surplus Water to offset Net New Demands by providing LADWP with leased pumping rights in the Central and/or West Coast groundwater basin. LADWP will pump the additional groundwater supplies into the water distribution system.
- County Water Supplies – LADWP will continue to provide surplus water supplies as it has been for decades under an existing separate agreement. Upon a written determination by the LADWP General Manager, NBCU will provide Surplus Water supplies by providing LADWP with leased pumping rights in the Central and/or West Coast groundwater basin.
- Recognition of Existing Water Use – LADWP recognizes that water supplies to NBCU have been provided for decades and have been incorporated into water supply planning.
- Cost – All water delivered will be billed at applicable normal water rates as established by the Los Angeles Water Rates Ordinance (Ordinance No. 170435, as amended by Ordinance Nos. 171639, 173017, 175964, 177968, and 179802, and as may be amended in the future).
- Capital Contributions – NBCU will reimburse LADWP for the cost of the portion of groundwater pumping facilities necessary to extract the Surplus Water supplies.
- Term – 50 years. Surplus Water to be provided for increased City water demand for the Project for 30 years, and increased County water demand for the Project as required for the entire 50-year term.

Board of Water and Power Commissioners  
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February 21, 2013

- Penalty – In the event NBCU fails to provide Surplus Water supplies in the required timeframe, NBCU will pay LADWP a penalty to cover LADWP's costs for providing the water.

#### Los Angeles City Council Approval

Per Charter Section 373, Los Angeles City Council (City Council) approval is required since the proposed Agreement is long-term (50 years). Due to time-sensitive operational needs, an Executive Directive No. 4 waiver was granted by the Mayor's Office on March 6, 2013. A City Administrative Office report will be provided for City Council review prior to final consideration of this item.

#### RECOMMENDATION

It is recommended that your Honorable Board adopt the accompanying Resolution recommending City Council's approval of the proposed Agreement.

JLH:yrg/ar

Attachments

e-c/att: Ronald O. Nichols  
Richard M. Brown  
Aram Benyamin  
James B. McDaniel  
Philip Leiber  
Gary Wong  
David R. Pettijohn  
Jin L. Hwang

RESOLUTION NO. \_\_\_\_\_

WHEREAS, Universal Studios LLC (NBCU) proposes a major new development on its Universal Property that will increase water demand; and

WHEREAS, the development of the NBC Universal Evolution Plan Project (Project) on its Universal Property will occur on both jurisdictional boundaries of the City of Los Angeles (City) and unincorporated area of the County of Los Angeles (County); and

WHEREAS, on May 4, 2010, the Board of Water and Power Commissioners (Board) approved the original Surplus Water Supply Augmentation Agreement for NBC Universal (Original Agreement) between the Los Angeles Department of Water and Power (LADWP) and NBC Universal, Inc. under Resolution No. 010 314; and

WHEREAS, the Original Agreement was received and filed without approval at the July 2, 2010 Los Angeles City Council (City Council) meeting, and was subsequently never fully executed by all parties; and

WHEREAS, NBCU (developer/property owner) has since revised the scope for the Project and submitted the revised scope to LADWP on November 1, 2012; and

WHEREAS, a new Surplus Water Supply Augmentation Agreement for NBC Universal (Agreement) is required and hereby prepared to reflect the revised scope and water demands, and the updated terms and conditions associated with NBCU's payment contributions towards the capital facilities for the Surplus Water exceeding the historical water demands; and

WHEREAS, a Water Supply Assessment (WSA) for the original Project scope was approved by the Board on May 4, 2010, under Resolution No. 010 315; and

WHEREAS, the revised Project scope resulted in a corresponding reduction in net water demand that does not exceed the prior approved WSA's net increase in water consumption, and no additional WSA is required for the revised scope in accordance with the Water Code Section 10910; and

WHEREAS, this new Agreement replaces and supersedes the Original Agreement; and

WHEREAS, the Agreement requires NBCU to provide annual Surplus Water for net new City water demand, and provide annual Surplus Water for net new County water demand upon declaration by LADWP's General Manager; and

WHEREAS, NBCU will provide Surplus Water in the form of groundwater pumping rights in the local Central and/or West Coast Groundwater Basins; and

WHEREAS, NBCU will pay LADWP the capital costs for the groundwater facilities required to pump the Surplus Water; and

WHEREAS, the proposed Agreement has a term of 50-years upon approval by the Board and City Council; and

WHEREAS, LADWP and NBCU negotiated the Agreement, approved as to form and legality by the City Attorney, for NBCU to provide Surplus Water to LADWP, a copy of which is on file with the Secretary of the Board.

NOW, THEREFORE, BE IT RESOLVED, that the Board rescinds its approval of the Original Agreement, approves the new Agreement, and recommends approval by City Council of the new Agreement to supply water to NBCU's Universal Property.

BE IT FURTHER RESOLVED, that upon approval by City Council, the General Manager, or such person as the General Manager shall designate in writing as his designee, and the Secretary, Assistant Secretary, or the Acting Secretary of the Board are hereby authorized, empowered, and directed to execute said Agreement for and on behalf of LADWP.

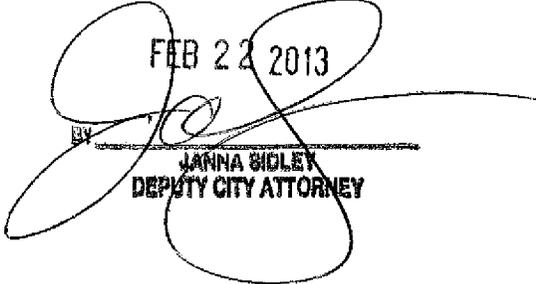
I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of a resolution adopted by the Board of Water and Power Commissioners of the City of Los Angeles at its meeting held

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Secretary

APPROVED AS TO FORM AND LEGALITY  
CARMEN A. TRUTANICH, CITY ATTORNEY

FEB 22 2013

BY   
JANNA SIDLEY  
DEPUTY CITY ATTORNEY

**SURPLUS WATER SUPPLY  
AUGMENTATION AGREEMENT  
FOR NBC UNIVERSAL**

THIS SURPLUS WATER SUPPLY AUGMENTATION AGREEMENT (Agreement) is made and entered into as of the last date of execution by and between UNIVERSAL STUDIOS LLC, a Delaware limited liability company (NBCU) and the LOS ANGELES DEPARTMENT OF WATER AND POWER (LADWP), a municipal utility serving the City of Los Angeles (City) (each a "Party" and collectively, the "Parties"), with reference to the following facts and intentions:

**RECITALS**

A. NBCU owns a parcel of land comprising approximately 391 acres in the eastern San Fernando Valley region of Los Angeles County (Universal Property), as more particularly described in Exhibit A. As of the Effective Date, approximately 24 percent of the Universal Property parcel is located within the City and the remaining 76 percent of the Universal Property is located in the unincorporated area of the County of Los Angeles. A map generally depicting these respective areas is attached hereto as Exhibit A.

B. LADWP presently serves customers within the City and certain customers outside of the jurisdictional limits of the City, including the Universal Property.

C. The City Land is presently served by LADWP pursuant to the Charter of the City (City Charter) and the LADWP Rules Governing Water and Electric Service (LADWP Rules).

D. Although the County Land is outside of the jurisdictional limits of the City, the City of Los Angeles has provided water service to the County Land for almost 100 years. The County Land presently receives surplus potable water service from LADWP under the terms and conditions of that certain 1991 Agreement By and Between the LADWP of the City of Los Angeles and MCA Inc. Regarding Water Service (1991 Water Agreement). The County Land current water use, defined in Section 1.6 as Historical County Demand, has been accounted for in the City's 2005 Urban Water Management Plan.

E. NBCU intends to develop the Project as defined below for the Universal Property. The development of the Project will occur on both City Land and County Land. In connection with the implementation of the Project, adjustments will be made to the jurisdictional boundaries of the City and County.

F. NBCU currently uses approximately 1,128.6 acre-feet per year of potable water from LADWP, based on calendar years 2004 to 2008 historical data. Based on projections of the build-out of the Project, NBCU will use an estimated maximum 1,749.7 acre-feet per year of potable water, of which 621.1 acre-feet per year will be net new potable demand created by the Project. NBCU's maximum projected Net New City

Demand and Net New County Demand is 621.1 acre-feet per year. Estimated current and projected potable and recycled water demands are attached as Exhibit B.

G. The Parties acknowledge that LADWP holds certain water rights with respect to the Central Basin and West Basin pursuant to judicial determinations of all groundwater rights within the Central Basin and West Basin (collectively the Adjudicated Areas).

H. Within the Adjudicated Areas, third parties have the legal right, supported by several decades of custom and practice, to acquire water through the lease and/or purchase of water and water rights.

I. The Parties intend that water and water rights within the Adjudicated Areas that are in excess of those supplies that are presently within LADWP's ownership or control, may be acquired by NBCU and made available to LADWP pursuant to this Agreement.

J. Through the actions contemplated by NBCU under this Agreement, water from the Adjudicated Areas may be used by LADWP to ensure continued potable water service from LADWP to offset (i) Net New County Demand, and (ii) Net New City Demand.

K. The Parties acknowledge that a water supply assessment (WSA) has been prepared by LADWP pursuant to Water Code Section 10910 and Government Code Section 66473. LADWP reviewed the revised scope of the Project, and has determined that no additional water supply assessment will be required pursuant to Water Code Section 10910.

L. This Agreement replaces and supersedes the prior Surplus Water Agreement for NBC Universal approved by the Board of Water and Power Commissioners on May 4, 2010 under Resolution No. 010 314 (Original Agreement).

NOW, THEREFORE, in consideration of the above recitals and other consideration, the receipt and adequacy of which the Parties hereby acknowledge, the Parties agree as follows:

## ARTICLE 1

### DEFINITIONS

1.1 "Central Basin" means the adjudicated groundwater basin underlying the southeastern part of the Los Angeles Coastal Plain in Los Angeles County. The Central Basin is bounded to the southwest by the Newport-Inglewood Uplift, to the southeast by the Los Angeles-Orange County Line, to the north by an irregular line that approximately follows Stocker Street, Martin Luther King Boulevard, Alameda Street, Olympic Boulevard, the boundary between the City and unincorporated East Los Angeles, and the foot of the Merced and Puente Hills. A map illustrating the Central Basin is attached hereto as Exhibit C.

1.2 "City Land" means those areas of the Universal Property located within the jurisdictional boundaries of the City as of the Effective Date.

1.3 "County Land" means those areas of the Universal Property located outside the jurisdictional boundaries of the City as of the Effective Date.

1.4 "Effective Date" means the date that this Agreement is signed by both Parties.

1.5 "Historical City Demand" means the average annual potable water demand attributable to City Land based on calendar years 2004 to 2008 historical data and quantified for all purposes under this Agreement as 175.7 acre-feet per year. Historical City Demand includes the historical demand for potable water attributable to any City Land that may be detached from the City into the County after the Effective Date.

1.6 "Historical County Demand" means the average annual potable water demand attributable to County Land based on calendar years 2004 to 2008 historical data and quantified for all purposes under this Agreement as 952.9 acre-feet per year. Historical County Demand includes the historical demand for potable water attributable to any County Land that may be annexed into the City after the Effective Date.

1.7 "LADWP Rules" means LADWP Rules Governing Water and Electric Service as amended periodically by the Board of Water and Power Commissioners.

1.8 "Net New City Demand" means the total annual demand for potable water, as quantified by LADWP each Water Year, that is attributable to Revised City Land, less the Historical City Demand. For all purposes under this Agreement, NBCU's maximum projected Net New City Demand at full build-out is estimated at 201.6 acre-feet per year.

1.9 "Net New County Demand" means the total annual demand for potable water, as quantified by LADWP each Water Year, that is attributable to Revised County Land, less the Historical County Demand. For all purposes under this Agreement, NBCU's maximum projected Net New County Demand at full build-out is estimated at 419.5 acre-feet per year.

1.10 "Offset Election" means an election by the General Manager of LADWP to require NBCU to deliver Surplus Water to LADWP to offset Net New County Demand as provided by Article 2. Such Offset Election shall be based on a written determination by the General Manager of LADWP that NBCU must provide Surplus Water to LADWP.

1.11 "Project" means the NBCU Evolution Plan Project for the Universal Property, as further defined in Exhibit D.

1.12 "Purchase Quantity" means the quantity of Surplus Water that is required to offset (i) Net New City Demand and (ii) Net New County Demand.

1.13 "Revised City Land" means the City Land together with the annexations to the City and detachments from the City effectuated by the Project, if any.

1.14 "Revised County Land" means the County Land together with the annexations to the County and detachments from the County effectuated by the Project, if any.

1.15 "Surplus Water" means water or water rights acquired by NBCU and delivered to LADWP under the provisions of this Agreement.

1.16 "Water Year" means a unit of time beginning on July 1 of each calendar year and ending on June 30 of the next calendar year.

1.17 "West Basin" means the adjudicated groundwater basin underlying the southwestern part of the Los Angeles Coastal Plain in Los Angeles County. The West Basin is bounded on the west by Santa Monica Bay, on the north by the Ballona Escarpment, on the east by the Newport-Inglewood Uplift, and on the south by San Pedro Bay and the Palos Verdes Hills. A map illustrating the West Basin is attached as Exhibit E.

1.18 Any capitalized terms not defined in this Article 1 shall have the meanings set forth in the Recitals.

## ARTICLE 2

### SURPLUS WATER

2.1 Obligation to Offset Net New Demand. In accordance with the conditions and time frames set forth in this Article 2, NBCU will deliver to LADWP, at NBCU's sole cost and expense, the Purchase Quantity of Surplus Water, except as otherwise provided by this Agreement. NBCU's obligation to deliver Surplus Water for each type of demand will be incurred as follows.

2.1.1 Net New City Demand. NBCU shall initiate delivery of Surplus Water to offset Net New City Demand in the first Water Year when the demand attributable to Revised City Land increases by more than 50 acre-feet per year over the Historical City Demand of 175.7 acre-feet per year. Thereafter, NBCU shall continue to deliver Surplus Water to offset each year's Net New City Demand as provided in Section 2.2.

2.1.2 Net New County Demand. NBCU shall initiate delivery of Surplus Water to offset Net New County Demand in the first Water Year when both: (a) the demand attributable to Revised County Land increases by more than 50 acre-feet per year over the Historical County Demand of 952.9 acre-feet per year, and (b) the General Manager of LADWP makes an Offset Election. Thereafter, NBCU shall deliver Surplus Water to offset Net New County Demand in each year that the General Manager makes an Offset Election. Unless the General Manager makes an Offset Election, NBCU shall receive customary potable water service from LADWP in a

manner consistent with the City Charter and LADWP Rules, without the obligation to deliver Surplus Water.

(a) Objections to General Manager's Determination. NBCU shall have the right to object to the General Manager's Offset Election by providing to LADWP written notice of NBCU's objections within sixty (60) days following receipt by NBCU of the Offset Election supported by the written determination of the LADWP General Manager that NBCU must provide Surplus Water to LADWP. Representatives of the Parties will meet and confer at least once in a good faith effort to resolve the objection within the ninety (90)-day period following LADWP's receipt of NBCU's objection notice.

(b) Appeal. If the objection is unresolved within the ninety (90) day period, NBCU may appeal to the Board of Water and Power Commissioners. The Board's decision shall be final and not subject to judicial review.

2.1.3 Historical County Demand. Subject to the City Charter and LADWP Rules, NBCU shall continue to receive customary potable water service from LADWP for use on Revised County Land in quantities up to the Historical County Demand on terms and conditions similar to those offered to other customers outside the boundaries of the City, and it shall not be obligated under this Agreement to deliver Surplus Water to offset its Historical County Demand.

2.2 Surplus Water Quantification and Delivery. NBCU's Purchase Quantity of Surplus Water as provided by Section 2.1 will be quantified by LADWP and delivered by NBCU in arrears as follows.

2.2.1 Quantification. No later than ninety (90) days following the end of each Water Year, LADWP shall (i) establish the Purchase Quantity and (ii) provide written notice to NBCU of its quantification of the Purchase Quantity, along with reasonable documentation to support LADWP's determination.

(a) Objections to Purchase Quantity. NBCU shall have the right to object to LADWP's determination of the Purchase Quantity by providing to LADWP written notice of NBCU's objections within sixty (60) days following receipt by NBCU from LADWP of the Purchase Quantity determination and reasonable documentation to support the determination. Representatives of the Parties will meet and confer at least once in a good faith effort to resolve the objection within the ninety (90) day period following LADWP's receipt of NBCU's objection notice.

(b) Appeal. If the objection is unresolved within the ninety (90) day period, NBCU may appeal to the Board of Water and Power Commissioners. The Board's decision shall be final and not subject to judicial review.

2.2.2 Delivery. NBCU shall deliver the Purchase Quantity of Surplus Water to LADWP at NBCU's sole cost and expense, except as otherwise provided by Section 2.3 of this Agreement. The source of the Surplus Water shall be provided in accordance with Section 2.5. Delivery shall occur when NBCU assigns or otherwise

transfers the Surplus Water to LADWP in a form reasonably satisfactory to LADWP. LADWP will take, treat, and convey the Surplus Water as any other local or imported supply source.

2.2.3 Delivered in Arrears. NBCU will have up to twenty-four (24) months from the determination of the Purchase Quantity pursuant to Section 2.2.1 to deliver the Surplus Water to LADWP as provided in this Agreement. In addition, in the event that LADWP fails to timely determine the Purchase Quantity, the period of time for NBCU to deliver the Surplus Water to LADWP will be extended by one month for any month, or part thereof, by which LADWP's quantification is delayed. Subject to the provisions of Section 2.2.4, NBCU may, subject to reasonable approval by LADWP, deliver Surplus Water in advance of LADWP's determination of the Purchase Quantity as a credit against future obligations.

2.2.4 Conditions on Delivery. NBCU will deliver Surplus Water in a manner such that LADWP will be able to beneficially use or store the water for use by LADWP. NBCU shall deliver Surplus Water sufficiently in advance of any time limits on production of the Surplus Water such that LADWP is able to legally produce the full quantity of Surplus Water made available by NBCU to LADWP. Surplus Water that is made available by NBCU in a manner that LADWP cannot reasonably put the water to beneficial use or to storage will not be credited against the Purchase Quantity. LADWP shall notify NBCU in writing within thirty (30) days following receipt of a delivery of Surplus Water from NBCU if LADWP has any objections to the delivery of the Surplus Water. Representatives of the Parties will meet and confer at least once in a good faith effort to resolve LADWP's objection within the ninety (90) day period following NBCU's receipt of LADWP's objection notice.

2.3 Costs. In addition to the capital contribution set forth in Section 2.4 below, NBCU will pay the full and complete cost of acquiring the Surplus Water and making the Surplus Water available to LADWP, including any third party approval costs assessed as a condition of approval within the Adjudicated Areas. All administrative charges and annual operations and maintenance fees attributable to the management and operation of the LADWP water system and customarily recovered through the traditional LADWP water rate, including but not limited to power, conveyance, production and treatment, will be recovered by LADWP from NBCU and its customers on the Universal Property exclusively through its generally applicable rates, fees and charges and on the same basis as other similarly situated customers of LADWP as provided in Section 4 below.

2.4 Capital Facilities Contributions. NBCU will make a contribution of \$943 per acre-foot towards the capital facilities that will be used to extract, convey and take delivery of Surplus Water to meet the reasonably projected needs of NBCU. All capital contributions are denominated in January 1, 2010 dollars and shall be escalated using the Engineering News-Record Construction Cost Index for the Los Angeles Area cost index factor, as compared to the January 1, 2010 cost index factor. This contribution shall be made in two installments.

A payment of \$1,294,173.20 shall be paid concurrent with NBCU's initial delivery of Surplus Water to LADWP to satisfy Net New County Demand as provided by Section 2.2. This amount reflects the estimated maximum Net New County Demand at full build-out of 419.5 acre-feet per year plus Historical County Demand of 952.9 acre-feet per year, totaling 1,372.4 acre-feet at \$943 (in January 1, 2010 dollars) per acre-foot, before escalation per the criteria above.

A payment of \$190,108.80 shall be paid when the demand attributable to Revised City Land increases by more than 50 acre-feet per year over the Historical City Demand of 175.7 acre-feet per year. This amount reflects the estimated maximum Net New City Demand at full build-out of 201.6 acre-feet per year at \$943 (in January 1, 2010, dollars) per acre-foot, before escalation per the criteria above.

2.4.1 Distribution Facilities Costs. In addition to the above capital facility contributions, NBCU acknowledges its responsibility to pay for necessary potable water distribution facilities, and recycled water facilities on the Universal Property sufficient to meet the demands of the property as set forth in the letter attached hereto as Exhibit F. NBCU acknowledges that this Agreement does not define the measures, including capital costs, that may be required to distribute potable and recycled water to and through the Universal Property. These measures will be determined in accordance with customary and routine LADWP Rules for similarly situated users.

2.4.2 Recycled Water Easements. NBCU and LADWP agree to negotiate in good faith on an expedited basis to identify a mutually agreeable route for easement(s) and right(s)-of-way necessary to construct, operate, and maintain those recycled water facilities which will be owned and operated by LADWP on the Revised City Land portion of the Universal Property, agreement to which will not be unreasonably withheld.

2.4.3 Potable Water Easements. NBCU and LADWP agree to negotiate in good faith on an expedited basis to identify a mutually agreeable route for easement(s) and right(s)-of-way necessary to construct, operate, and maintain those potable water facilities which will be owned and operated by LADWP on the Revised City Land portion of the Universal Property, agreement to which will not be unreasonably withheld.

2.5 Source of Surplus Water. Except as provided in Sections 2.5.1 and 2.5.2 below, the Surplus Water shall consist of water made available from Central Basin water or water rights.

2.5.1 Interbasin Transfers. In the event that water transfers, leases, and/or exchanges from the West Basin to the Central Basin are permitted by judicially approved amendments to the basin judgments or otherwise; and LADWP has obtained all required approvals to make the proposed transfer to the Central Basin, the Surplus Water may consist of water or water rights from either the Central or West Basins, or both. If the above conditions are not met, the water or water rights must be from the Central Basin.

**2.5.2 Alternative Sources.** The Parties acknowledge that new sources of water which may be beneficially used by LADWP may become available in the future under circumstances that cannot be sufficiently predicted at the Effective Date. NBCU shall have the right to deliver Surplus Water to LADWP from an alternative water source or sources other than the Central Basin or West Basin, provided that such Surplus Water meets the following criteria: (i) the water is from a firm and reliable supply source; (ii) the water quality is such that it can be efficiently treated to satisfy all primary and secondary drinking water standards and State notification levels; (iii) the water is able to be conveniently accepted and beneficially used by LADWP; and (iv) the provision of water will not result in changes in the economic arrangement of the parties as provided by this Agreement. NBCU will be responsible for any wheeling or conveyance costs lawfully assessed by a third party to deliver the water to LADWP's system. Any alternative water source shall be subject to LADWP's reasonable consent. If NBCU identifies an alternative water source, NBCU shall submit such information to LADWP as LADWP may reasonably request with respect to the alternative water source. Provided that the alternative water source meets the criteria established by this Section 2.5.2, LADWP shall not withhold its consent to such alternative water source. In the event the Parties are unable to agree with respect to such alternative water source, representatives of the Parties will meet and confer at least once in a good faith effort to resolve LADWP's refusal to consent within the ninety (90) day period following NBCU's receipt of LADWP's refusal.

**2.6 Default Payment.** In the event that NBCU is unable to deliver the Purchase Quantity to LADWP within twenty-four months following the accrual of the obligation, then NBCU shall make to LADWP a Default Payment equal to the product of (a) the number of acre-feet by which the Purchase Quantity is deficient; (b) the highest cost per acre-foot paid by LADWP to the Metropolitan Water District for the specific Water Year to cover NBCU's demand, plus any regulatory penalty rates or charges whatever they may be, provided that the highest cost does not include civil or regulatory penalties for negligence, malfeasance, or misconduct by LADWP; and (c) a 20 percent surcharge to compensate LADWP for administrative costs associated with acquiring this additional water. For example, if NBCU's acquires Surplus Water in an amount 150 acre-feet less than the applicable Purchase Quantity and LADWP's applicable highest cost for water from the Metropolitan Water District is \$1,188 per acre-foot, then NBCU would make a Default Payment of  $(150AF \times \$1,188/AF \times 1.20) = \$213,840$ .

**2.7 Supplemental Surplus Water.** NBCU has no obligation under this Agreement to deliver Surplus Water to offset Historical County Demand. However, at its sole and complete discretion, NBCU may elect to deliver supplemental Surplus Water to offset Historical County Demand. Any delivery of supplemental Surplus Water will be made in accordance with the requirements of Sections 2.2.2, 2.2.3, 2.2.4, 2.3, and 2.5 consistent with the City Charter and LADWP Rules.

### ARTICLE 3

#### WATER RATES

3.1 Water Rates. NBCU will pay the following water rates for delivery of Surplus Water to the Universal Property:

3.1.1 City Rates. NBCU and the customers of LADWP on the Universal Property within the boundaries of the City will pay the applicable LADWP rates for service inside the City, as adopted by City Ordinance No. 170435, as amended by Ordinance Nos. 171639, 173017, 175964, 177968, and 179802, and as may be amended in the future. In the event that LADWP further amends existing or establishes new water rates, the rates charged NBCU for City Land water service shall be the same as those for similarly situated customers.

3.1.2 County Rates. NBCU and the customers of LADWP on the Universal Property outside the boundaries of the City will pay the applicable LADWP rates for service outside the City, as adopted by City Ordinance No. 170435, and as amended by Ordinance Nos. 171639, 173017, 175964, 177968, and 179802, and as may be amended in the future.

### ARTICLE 4

#### LADWP SERVICE COMMITMENT

4.1 City Land Potable Water Service. LADWP will provide potable water service to the Revised City Land in accordance with the City Charter, LADWP Rules for service inside the City, and the terms of this Agreement. LADWP's sole remedy for failure by NBCU to supply Surplus Water, as provided for by this Agreement, shall be to receive the Default Payment. After the expiration of the Initial Term as provided in Section 5.1, NBCU's obligation to deliver Surplus Water to meet the Net New City Demand shall terminate. Thereafter, LADWP will provide potable water service to the Revised City Land pursuant to the City of Los Angeles Charter and LADWP Rules for service inside the City.

4.2 County Land Potable Water Service. LADWP will provide potable water service to the Revised County Land pursuant to the terms of this Agreement. LADWP's service to the Revised County Land shall at all times be supplemented by NBCU's commitment to deliver Surplus Water to offset Net New County Demand as provided by this Agreement. Service of the Historical County Demand shall continue in a manner consistent with the City Charter and LADWP Rules. Upon the expiration of the Term for the Revised County Land, NBCU shall be situated as any other applicant for water service outside the jurisdictional limits of the City and the Parties shall be free to negotiate a mutually agreeable contract for service at that time.

4.3 Recycled Water Service. LADWP will provide recycled water service to the Revised City Land and Revised County Land as requested by NBCU in such quantities

as are agreed to by LADWP and NBCU under the terms of the 1991 Water Agreement, as amended from time to time; and in accordance with NBCU commitments provided to LADWP as part of the Project's WSA.

## ARTICLE 5

### TERM OF AGREEMENT

5.1 Initial Term of Agreement. The Initial Term of the Agreement will be thirty (30) years from the Effective Date as applied to the Revised City Land, and fifty (50) years from the Effective Date as applied to the Revised County Land.

5.2 Supplemental Capital Facilities Contribution. NBCU's Capital Facilities Contribution, described in Section 2.4, assumes Net New City Demand, Net New County Demand, and Historical County Demand of 1,574 acre-feet per year. Unanticipated increases in future Net New City Demand and Net New County Demand, should they occur, will require the payment of Supplemental Capital Facilities Contributions (Supplemental Contributions) to compensate for increased Surplus Water pumping capacity necessary to produce the Purchase Quantity, as provided for in this Section 5.2.

5.2.1 NBCU shall pay an initial non-recurring Supplemental Contribution for an increase in the Purchase Quantity in any Water Year in which the Purchase Quantity is equal to or greater than 1,993 acre-feet per year. Upon each payment by NBCU of a Supplemental Contribution, a new baseline maximum Purchase Quantity will be established and additional non-recurring Supplemental Contributions shall be paid when the Purchase Quantity exceeds the new baseline maximum by increments of more than 100 acre-feet per year. For example, if in a future Water Year NBCU's water demands require a Purchase Quantity of 1,994 acre-feet per year, NBCU will incur an initial non-recurring Supplemental Contribution of \$396,060 (420 acre-feet x \$943 in January 1, 2010 dollars) and 1,994 acre-feet per year shall be the new baseline for purposes of calculating any subsequent Supplemental Contribution, which would occur when the Purchase Quantity exceeded 2,094 acre-feet. No Supplemental Contribution shall be required for any Purchase Quantity less than 1,993 acre-feet per year.

5.2.2 The Supplemental Contribution shall be paid 180 days following the end of the Water Year in which it is incurred. This supplemental contribution shall be calculated by multiplying the amount of acre-feet per year by which NBCU's Purchase Quantity exceeds its previous baseline by \$943 (denominated in January 1, 2010, dollars and escalated in accordance with Section 2.4).

5.3 County Land Early Termination. In the event NBCU is able to secure firm, uninterrupted water service to its Revised County Land from another provider, NBCU may terminate this Agreement as it applies to the Revised County Land upon one (1) years' prior written notice to LADWP.

**ARTICLE 6**

**DEFAULTS**

6.1 Defaults. In the event NBCU fails to deliver Surplus Water to LADWP in accordance with the terms of this Agreement, LADWP shall have no right under this Agreement to terminate or curtail water service. LADWP's sole remedy shall be the right to receive the Default Payments.

**ARTICLE 7**

**GENERAL PROVISIONS**

7.1 Headings. The headings of this Agreement are for convenience only and have no force or effect in the interpretation or construction of this Agreement.

7.2 Assignment. This Agreement may be transferred in whole or in part by NBCU to (i) any entity controlled by or under the common control of NBCU, (ii) any successor entity to NBCU including without limitation any conversion of NBCU to an LLC, (iii) a purchaser of all or substantially all of the Universal Property, (iv) a purchaser of all or substantially all of the Revised City Land, (v) a purchaser of all or substantially all of the Revised County Land, (vi) a mutual water company, and/or (vii) a property owners association formed for all or substantially all of the Revised City Land or Revised County Land. All other transfers by NBCU shall require the prior written consent of LADWP, which consent shall not be unreasonably withheld. This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors and assigns. This Agreement may not be assigned by LADWP.

7.3 Waiver. The waiver of any duty under or breach of this Agreement by any Party shall not be deemed to be a waiver of any preceding or subsequent breach, nor shall any waiver constitute a continuing waiver.

7.4 Notices. All communications related to this Agreement must be delivered in writing in person, or by facsimile, U.S. mail, by Federal Express or other similar overnight delivery service at the addresses set forth below:

To: NBC Universal, Inc.  
100 Universal City Plaza  
Universal City, CA 91608  
Attention: West Coast Real Estate

With a copy to: NBC Universal, Inc.  
30 Rockefeller Plaza  
New York, NY 10112  
Attention: Law Department

To: Los Angeles Department of Water and Power  
Senior Assistant General Manager - Water  
System  
P.O. Box 111, Room 1455  
Los Angeles, CA 90051

Any written communication given by mail shall be deemed delivered two (2) business days after such mailing date or one (1) business day if sent by overnight delivery service. Communications by facsimile shall be deemed delivered on the date of transmission if transmitted during regular business hours, otherwise the next business day.

7.5 Authorizations. All individuals executing this Agreement and other documents on behalf of the respective Parties certify and warrant that they have the capacity and have been duly authorized to so execute the documents on behalf of the entity so indicated. Each signatory shall indemnify the other Parties to this Agreement, and hold them harmless, from any and all damages, costs, attorneys' fees and other expenses, if the signatory is not so authorized.

7.6 Effectiveness of this Agreement. The Parties acknowledge and agree that no term or provision of this Agreement will take effect or be binding on the Parties unless and until this Agreement has been fully signed and delivered by all of the Parties.

7.7 Advice of Counsel. In executing this Agreement, each Party acknowledges that it has consulted with and had the advice and counsel of an attorney duly admitted to practice in the State of California, and each Party further acknowledges that it has executed this Agreement after independent investigation, of its own free choice and will, and without fraud, duress, or undue influence. Each Party has investigated the facts pertaining to this Agreement to the extent such Party deems necessary, assumes the risk of mistake with respect to such facts and acknowledges that this Agreement is intended to be final and binding upon the Parties regardless of any claim of mistake. This Agreement is not subject to challenge on the grounds that any or all of the legal theories or factual assumptions used for negotiating purposes are for any reason inappropriate or inaccurate.

7.8 Sole Agreement. This Agreement constitutes the entire agreement and understanding between the Parties concerning the subject matter of this Agreement, and supersedes and replaces any and all prior or contemporaneous negotiations, offers, proposals, terms, representations, warranties, and agreements, whether written or oral, concerning the subject matter of this Agreement, except the 1991 Water Agreement as provided for in Sections 4.3. The Parties acknowledge that no other party, nor any agent or attorney of any Party, has made any promise, representation, warranty, or other inducement of any kind or nature whatsoever, written or oral, express or implied, concerning the subject matter of this Agreement, to induce the Party to execute this Agreement or for any other purpose, and each Party acknowledges that it has not executed this Agreement in reliance on any promise, representation, warranty or other inducement that is not expressly set forth in this Agreement.

7.9 Governing Law. This Agreement is made and entered into in the State of California and the Parties agree that this Agreement will in all respects be interpreted, enforced and governed by and under the internal laws of the State of California, without resort to choice of law principles.

7.10 Construction/Severability. The Agreement shall be construed without regard to any presumption or rule requiring construction against the party causing such instrument to be drafted, as each Party has participated in negotiating the drafting of this Agreement and had the opportunity to have their counsel review it. The language in all parts of this Agreement will, in all cases, be liberally construed to effect its purposes, and as a whole according to its meaning and not strictly for or against any Party. Should any provision of this Agreement be declared or determined by any court to be illegal or invalid, the validity of the remaining parts, terms or provisions will not be affected thereby and such illegal or invalid part, term or provision will not be deemed to be a part of this Agreement, unless such severance frustrates the fundamental purpose and intent of this Agreement.

7.11 Execution of Agreement. This Agreement may be executed in counterparts with the same force and effect as if executed in one complete, original document. Signatures delivered by facsimile or electronic transmission will be accepted as though originals.

7.12 Third Party Beneficiaries, Obligors and Parties. This Agreement is binding upon and inures to the benefit of each of the Parties, and their respective successors and assigns. The only parties to this Agreement are those specifically named in this Agreement who have signed the Agreement in their own name. There are no third party beneficiaries or obligors to this Agreement. This Agreement is not enforceable by any person not a Party to this Agreement, or their respective representatives, heirs, devisees, successors and assigns.

7.13 Obligation to Proceed With Project. Nothing in this Agreement requires NBCU to proceed with the Project, and the Parties recognize that the timing of implementing the Project is exclusively within the discretion of NBCU and that the implementation of the Project may not occur.

7.14 Remedies. Except as otherwise provided by Section 6, the Parties shall have all rights and remedies in law and in equity

7.15 Relationship of the Parties. The Parties hereby renounce the existence of any joint venture or partnership among them and agree that nothing contained in this Agreement may be construed as making the Parties joint venturers or partners of any other Party to this Agreement.

7.16 Amendment to Agreement. Any amendment to this Agreement must be in writing and signed by duly authorized representatives of the Parties hereto and state the intent of the Parties to amend this Agreement.

7.17 Further Assurances. The Parties agree that each of them will execute and deliver to the other Parties all such further documents and instruments as may be necessary and appropriate to effect the terms and conditions of this Agreement.

7.18 Time of the Essence. Time is of the essence of this Agreement and the performance by each Party of the obligations on that Party's part to be performed.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date last written below.

DEPARTMENT OF WATER AND POWER  
OF THE CITY OF LOS ANGELES BY  
BOARD OF WATER AND POWER COMMISSIONERS  
OF THE CITY OF LOS ANGELES

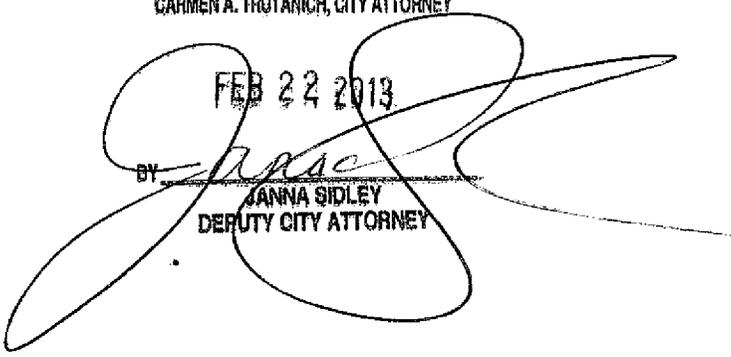
By: \_\_\_\_\_  
RONALD O. NICHOLS  
General Manager

Date: \_\_\_\_\_

And: \_\_\_\_\_  
BARBARA E. MOSCHOS  
Secretary

APPROVED AS TO FORM AND LEGALITY  
CARMEN A. TRUTANICH, CITY ATTORNEY

FEB 22 2013

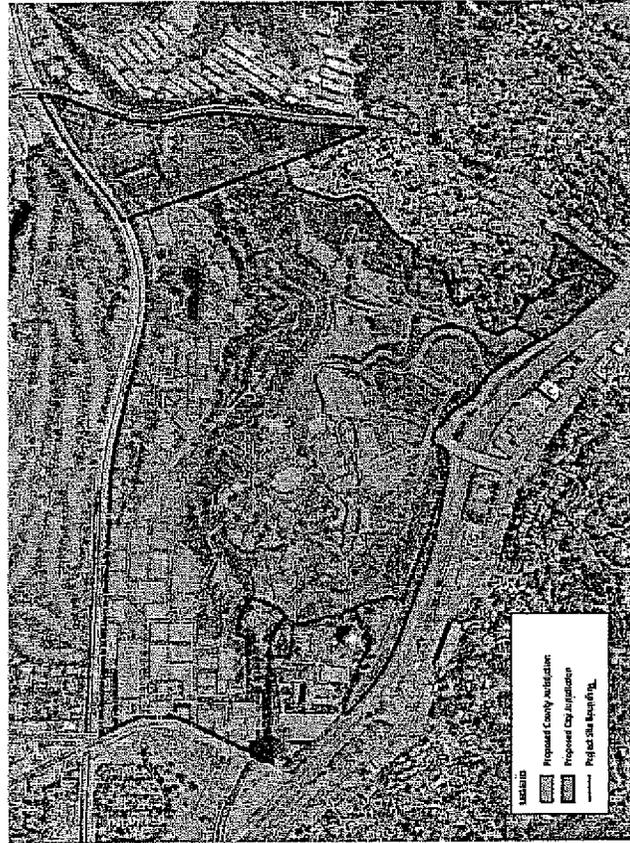
BY  \_\_\_\_\_  
JANNA SIDLEY  
DEPUTY CITY ATTORNEY

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date last written below.

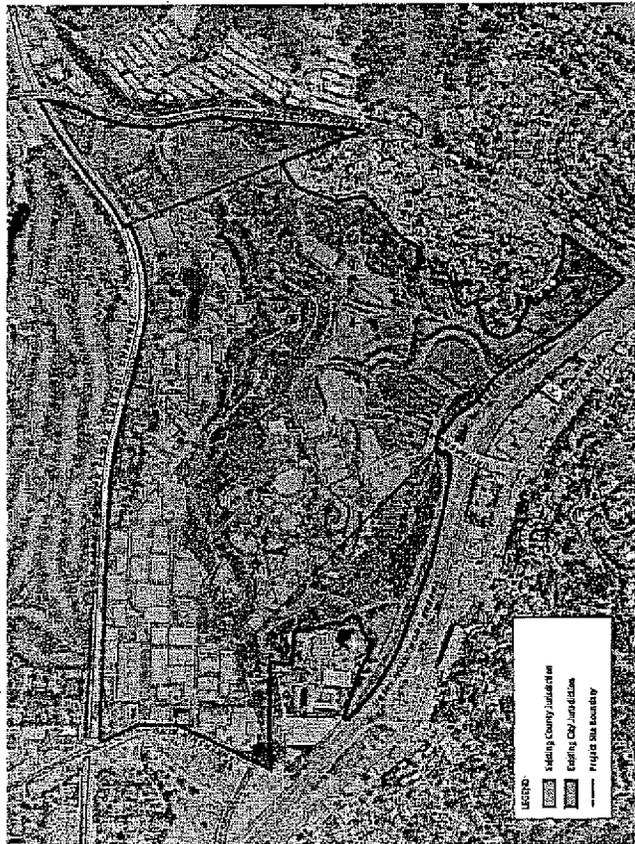
Universal Studios LLC

Date  
: 2/28/13

By:   
\_\_\_\_\_  
Corinne Verdery, Chief Real Estate Development  
& Planning Officer  
NBCUniversal, Inc.



Proposed Jurisdictional Boundaries

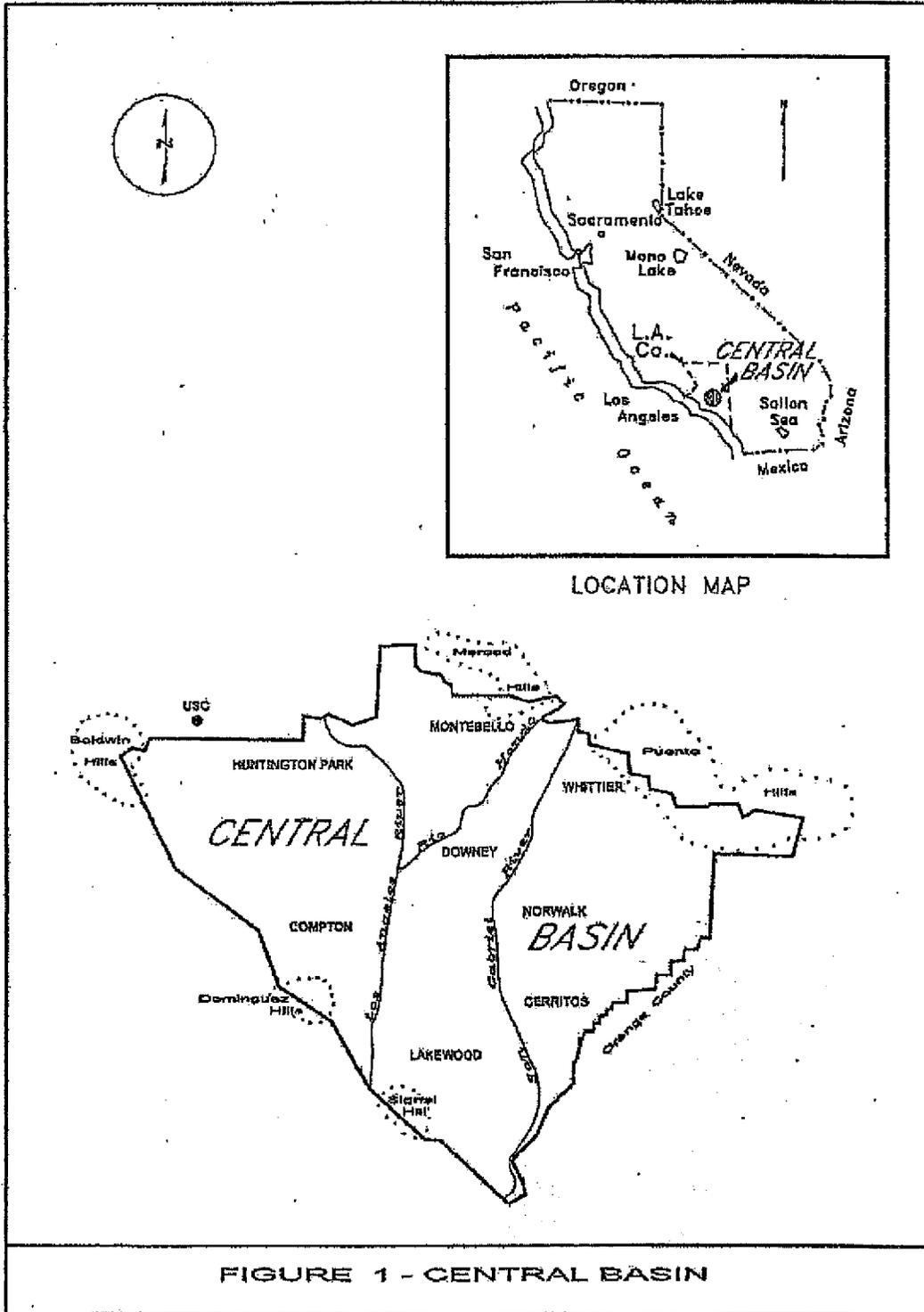


Existing Jurisdictional Boundaries



Some City Council Use Author. 8/13





Project Description

**Project Name:** NBC Universal Evolution Plan

**Project Address:** 100 Universal City Plaza, Universal City, CA 91608 (Sherman Oaks-Studio City-Toluca Lake-Cahuenga Pass Community Plan Area)

The Project Applicant, Universal City Studios LLC, proposed the development of approximately 2.68 million net new square feet of various commercial uses (approximately 3.26 million square feet of new commercial development less approximately 585,000 square feet of demolition) (the "Project"). The Project proposes new development across all of the major types of land uses that occur on, and adjacent to, the Project Site, including Entertainment, Entertainment Retail, Amphitheater, Studio, Studio Office, Office, Hotel, and Child Care uses. The proposed new development would be supported by additional parking structures and improvements to the on-site circulation system.

The Project Site is located in two jurisdictions, and currently includes approximately 95 acres (24 percent of the total Project Site area) located within the City of Los Angeles, and 296 acres (76 percent of the total Project Site area) in the unincorporated area of Los Angeles County. The Project Site is largely surrounded by the City of Los Angeles on all four sides. Under the Project, portions of the Project Site that are currently in the County would be annexed into the City, while other areas would be detached from the and returned to the jurisdiction of the County. Overall, there is a net reduction of areas in the City of Los Angeles.

The areas of the Project Site located within unincorporated Los Angeles County receive water service from the Los Angeles Department of Water and Power (LADWP). As a result, water service to the entire Project Site is provided by the LADWP.

Anticipated Water Demand

Development of the Project, as identified above, would consist of a range of land uses. The forecast of the Project's anticipated water demand takes into account existing buildings, which currently consume water, which would be demolished as part of the Project, as well as the water that would be consumed by the new development. A detailed forecast of the Project's net new water demand (gross new development minus existing demolition of existing development) is attached hereto as Table 1. Development of the Project, including proposed uses and irrigated areas, would consume a forecasted 657,315 million gallons on an average day (net new consumption). This forecast represents the maximum amount of water that is anticipated to be consumed at the Project Site. In addition to the water consumed within the proposed buildings themselves, the Project Applicant is, and will continue to be, committed to the use of recycled water for landscaped areas. As such, a large amount of recycled water is currently used on the Project Site and the Applicant is committed to extend its current recycled water use to include the Project, subject to the ability of LADWP to deliver recycled water to the Project Site and the use of recycled water occurs in a manner consistent with future practices under which the Project would be developed.

**Attachment A-1**

**Irrigation Water Use Estimate - Alternative 10 - Highly Irrigated City Boundary**

**Background Information**

The water use estimate is based on the Water conservation Ordinance target for

Plant water use value selected is a high use category, listed at 0.70

Irrigation system efficiency is estimated at a 50/50 combination between high efficient stream rotor

Regional Weather ET Data follows the published value for the City of Burbank, listed as 51.67 inches/year.

**Water Use Base Formula:**

Formula: ET Value x Landscape Value x Irrigated Area SF x 0.62 = Gallons per Year

ET Value: 51.67 inches (per year) listed for Burbank, CA.

Landscape Value: Combination of plant water use value divided by the irrigation system delivery method (overhead spray or stream rotor). The plant water use value is 0.80 (high) and the irrigation efficiency ratings are: rotors @ 0.80 and spray sprinklers @ 0.60 for the specific areas assigned.

Irrigated Area SF:

Existing Conditions = 110291 sf

Future Conditions = 284628 sf

0.62 = coefficient for converting cubic volume into gallons (1 CF = 7.48 gallons)

**Water Use Base Calculations for Project:**

*Rotor sprinkler assigned areas -*

Project SF of area assignment:	Existing =	0.50	x	110291	=	55146
	Future =	0.50	x	284628	=	142314
Landscape Value =	0.80	/	0.80	=	1.000	
Rotor area formula:						
Existing:	51.67	x	1.000	x	55146	x 0.62 = 1766608
Future:	51.67	x	1.000	x	142314	x 0.62 = 4559086

*Spray sprinkler assigned areas -*

Project SF of area assignment:	Existing =	0.50	x	110291	=	55146
	Future =	0.50	x	284628	=	142314
Landscape Value =	0.80	/	0.60	=	1.333	
Spray area formula:						
Existing:	51.67	x	1.333	x	55146	x 0.62 = 2355478
Future:	51.67	x	1.333	x	142314	x 0.62 = 6078781

**Total Irrigated Area Annual Water Use (Gallons per Year):**

Irrigation System	Existing	Future	Change
Rotor Areas	1766608	4559086	2792478
Spray Areas	2355478	6078781	3723304
<b>Total</b>	<b>4122086</b>	<b>10637867</b>	<b>6515781</b>

Total Highly Irrigated Area Daily Increase in Water Use: 6515781 / 365 = 17851 GPD

**Attachment B-1**

**Irrigation Water Use Estimate - Alternative 10 - Modestly Irrigated City Boundary**

**Background Information**

The water use estimate is based on the Water conservation Ordinance target for

Plant water use value selected is a medium use category, listed at 0.50

Irrigation system efficiency is estimated at a 50/50 combination between high efficient stream rotor

Regional Weather ET Data follows the published value for the City of Burbank, listed as 51.67 inches/year.

**Water Use Base Formula:**

Formula:  $ET\ Value \times Landscape\ Value \times Irrigated\ Area\ SF \times 0.62 = Gallons\ per\ Year$

ET Value: 51.67 inches (per year) listed for Burbank, CA

Landscape Value: Combination of plant water use value divided by the irrigation system delivery method (overhead spray or stream rotor). The plant water use value is 0.50 (medium) and the irrigation efficiency ratings are: rotors @ 0.80 and spray sprinklers @ 0.60 for the specific areas assigned.

Irrigated Area SF:

Existing Conditions = 654021 sf

Future Conditions = 483962 sf

0.62 = coefficient for converting cubic volume into gallons (1 CF = 7.48 gallons)

**Water Use Base Calculations for Project:**

*Rotor sprinkler assigned areas -*

Project SF of area assignment:	Existing =	0.50	x	654021 =	327011
	Future =	0.50	x	483962 =	241981
Landscape Value =	0.50	/	0.80	=	0.625
Rotor area formula:					
Existing:	51.67	x	0.625	x	327011 x 0.62 = 6547445
Future:	51.67	x	0.625	x	241981 x 0.62 = 4844974

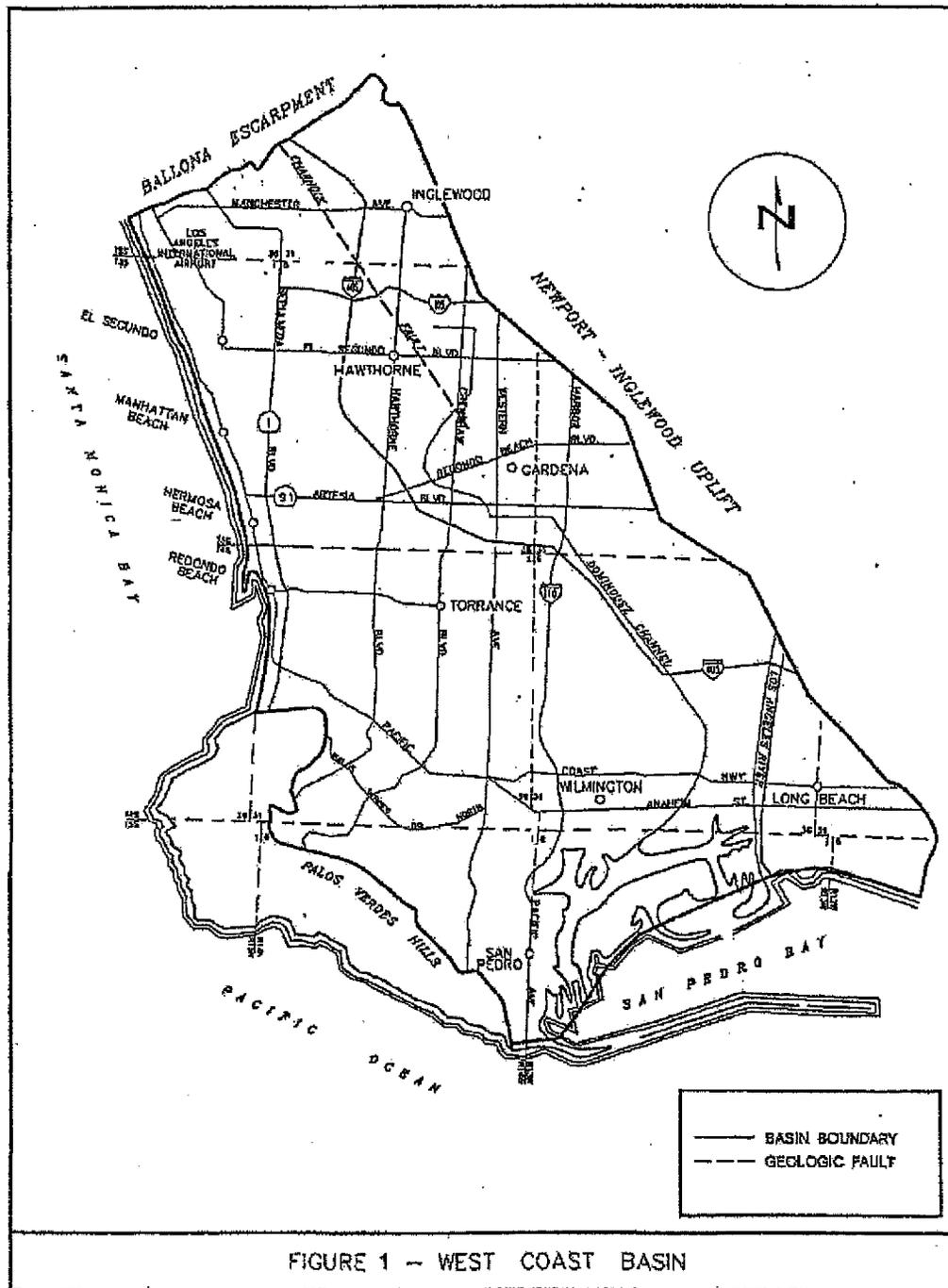
*Spray sprinkler assigned areas -*

Project SF of area assignment:	Existing =	0.50	x	654021 =	327011
	Future =	0.50	x	483962 =	241981
Landscape Value =	0.50	/	0.60	=	0.833
Spray area formula:					
Existing:	51.67	x	0.833	x	327011 x 0.62 = 8729927
Future:	51.67	x	0.833	x	241981 x 0.62 = 6459965

**Total Irrigated Area Annual Water Use (Gallons per Year):**

Irrigation System	Existing	Future	Change
Rotor Areas	6547445	4844974	-1702471
Spray Areas	8729927	6459965	-2269962
<b>Total</b>	<b>15277372</b>	<b>11304939</b>	<b>-3972433</b>

Total Irrigated Area Daily Increase in Water Use: -3972433 / 365 = -10883 GPD



100 Universal City Plaza  
Universal City, CA 91608

January 23, 2013

**NBCUniversal**

David Pettijohn  
L.A. Department of Water & Power  
111 N. Hope Street  
Room 1460  
Los Angeles, CA 90012

Re: NBC Universal Evolution Plan/Recycled Water

Dear Mr. Pettijohn:

This is an update to our previous letter dated April 27, 2010. NBCUniversal continues to propose to develop its 391 acre property in Universal City (Project Site). The proposed development, known as the NBC Universal Evolution Plan, consists of up to 2.68 million net new square feet of various commercial uses (Project). The residential units previously proposed have been eliminated, as the approved Project is a project alternative studied in the environmental impact report (Alternative 10: the No Residential Alternative).

NBCUniversal is committed to the use of recycled water on our property and as such, will maintain its existing recycled water storage system and provide additional storage and distribution capacity to both the City and County portions of the Project Site as part of the overall Evolution Plan.

Currently, recycled water is supplied to the Project Site from LADWP's regional 12-inch recycled water line. This line enters the Project Site at the intersection of Forest Lawn Drive and Barham Boulevard and runs to a recycled water pump station operated by NBCUniversal in the northeast corner of the Project Site. The pump station transfers recycled water to man-made reservoirs (i.e., recycled water storage areas) owned and operated by NBCUniversal in the Back Lot area of the Project Site, where it is stored until needed. Recycled water distribution pump stations remove water from the reservoirs, and then distribute the recycled water throughout the Project Site for irrigation and industrial uses.

The existing recycled water distribution system of pumps and reservoirs on the Project Site has enough capacity for the current recycled water demands, and it is anticipated that a majority of the system would remain in service throughout the buildout of the Project. As such, unlike the previously proposed version of the Evolution Plan, which proposed the residential development in the area of the existing reservoirs, it is anticipated that Alternative 10 would retain the existing system which has an overall storage capacity of approximately 470,566 gallons.