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THIS SPACE ABOVE FOR RECORDER'S USE

DEVELOPMENT AGREEMENT

by and between

THE CITY OF LOS ANGELES

and

LIGHTSTONE DTLA LLC

dated as of

_____, 2018

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DEVELOPMENT AGREEMENT

This Development Agreement ("Agreement") is executed as of _____, 2018, by and between the CITY OF LOS ANGELES a municipal corporation (the "City"), and LIGHTSTONE DTLA LLC (the "Developer"), pursuant to California Government Code Section 65864 *et seq.*, and the implementing procedures of the City, with respect to the following:

RECITALS

WHEREAS, the City and the Developer recognize that the development of the Property (as defined below) will create significant opportunities for economic growth in the City, the Southern California region and California generally;

WHEREAS, the Developer wishes to obtain reasonable assurances that the Project (as defined below) may be developed in accordance with the Project Approvals (as defined below) and the terms of this Agreement;

WHEREAS, the Developer will implement public benefits above and beyond the necessary mitigation for the Project, which include the benefits and other consideration described in Sections 2.3.1 and 3.1.3, below;

WHEREAS, this Agreement is necessary to assure the Developer that the Project will not be reduced in density, intensity or use or be subjected to new rules, regulations, ordinances or policies unless otherwise expressly allowed by this Agreement;

WHEREAS, by entering into this Agreement, the City is encouraging the development of the Project as set forth in this Agreement in accordance with the goals and objectives of the City, while reserving to the City the legislative powers necessary to remain responsible and accountable to its residents;

WHEREAS, the Project will be developed on a 1.22-acre site located at 1240-1260 S. Figueroa Street and 601 W. Pico Boulevard (the "Property"). The Property is bounded in part by S. Figueroa Street, W. Pico Boulevard and S. Flower Street, and is located adjacent to the Los Angeles Sports and Entertainment District and the Metro Blue Line rail station. The Developer intends to construct a hotel complex on the Property with approximately 1,153 guestrooms in two towers in accordance with the Project Approvals (the "Project").

WHEREAS, this Agreement is in the public interest and is consistent with the City's General Plan, including the Central City Community Plan; and

WHEREAS, for the foregoing reasons, the Parties desire to enter into a development agreement for the Project pursuant to the Development Agreement Act (as defined below) and the City's charter powers upon the terms and conditions set forth herein.

AGREEMENT

NOW, THEREFORE, pursuant to the authority contained in the Development Agreement Act, as it applies to the City, and in consideration of the mutual promises and covenants herein contained and other valuable consideration the receipt and adequacy of which the Parties hereby acknowledge, the Parties agree as follows:

ARTICLE 1 Definitions

For all purposes of this Agreement, except as otherwise expressly provided herein or unless the context of this Agreement otherwise requires, the following words and phrases shall be defined as set forth below:

1.1 "Agreement" means this Development Agreement.

1.2 "Applicable Rules" means the rules, regulations, fees, ordinances and official policies of the City in force and effect as of the Effective Date that are generally applicable to some or all of the properties within the City and govern the use and development of real property and which, among other matters, govern the permitted uses of land, the density or intensity of use, subdivision requirements, the maximum height and size of proposed buildings, parking requirements, setbacks, development standards, the provisions for reservation or dedication of land for public purposes, and the design, improvement and construction guidelines, standards and specifications applicable to the development of the Property. Notwithstanding the language of this Section or any other language in this Agreement, all specifications, standards and policies regarding the design and construction of buildings and development projects, if any, shall be those that are in effect at the time the project plans are being processed for approval and/or under construction.

1.3 "Assignment Agreement" means an agreement entered into by the Developer and a Transferee to transfer in whole or in part the rights and obligations of the Developer under this Agreement.

1.4 "CEQA" means the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.) and the State CEQA Guidelines (Cal. Code of Regs., Title 14, Sections 15000 et seq.).

1.5 "Certificate of Occupancy" means a certificate of occupancy, or its equivalent, issued by the Department of Building and Safety authorizing the occupancy of the Project or any portion thereof.

1.6 "City" means the City of Los Angeles, a charter city and municipal corporation.

1.7 "City Agency" means each and every agency, department, board, commission, authority, employee, and/or official acting under the authority of the City, including, without limitation, the City Council and the Planning Commission.

1.8 "City Attorney" means the legal counsel for the City.

1.9 "City Council" means the City Council of the City and the legislative body of the City pursuant to Section 65867 of the California Government Code (part of the Development Agreement Act).

1.10 "Days" means calendar days as opposed to working days.

1.11 "Developer" has the meaning as described in the opening paragraph of this Agreement.

1.12 "Development Agreement Act" means Article 2.5 of Chapter 4 of Division 1 of Title 7 (Sections 65864 through 65869.5) of the California Government Code.

1.13 "Discretionary Action" means an action which requires the exercise of judgment, deliberation or a decision on the part of the City and/or any City Agency in the process of approving or disapproving a particular activity, as distinguished from Ministerial Permits and Approvals and any other activity which merely requires the City and/or any City Agency to determine whether there has been compliance with applicable statutes, ordinances or regulations. A "substantial conformance" process and approval with respect to any Project Approval shall not constitute a Discretionary Action.

1.14 "Effective Date" has the meaning set forth in Section 7.1, below.

1.15 "FEIR" means the Final Environmental Impact Report for the Project (ENV-2016-2594-EIR, State Clearinghouse No. 2016121063).

1.16 "General Plan" means the General Plan of the City.

1.17 "Impact Fees" means impact fees, linkage fees, exactions, assessments or fair share charges or other similar impact fees or charges imposed on and in connection with new development by the City pursuant to rules, regulations, ordinances and policies of the City in full force and effect as of the Effective Date. Impact Fees do not include (a) Processing Fees or (b) other Citywide fees or charges of general applicability, provided that such Citywide fees or charges are not imposed on impacts of new development.

1.18 "LADOT" has the meaning set forth in Section 3.1.3(a), below.

1.19 "Metro" has the meaning set forth in Section 3.1.3(c), below.

1.20 "Ministerial Permits and Approvals" means the permits, approvals, plans, inspections, certificates, documents, licenses, and all other actions required to be taken by the City in order for Developer to implement, develop and construct the Project and the Mitigation Measures, including without limitation, building permits, foundation permits, public works permits, grading permits, stockpile permits, encroachment permits, and other similar permits and approvals which are required by the Municipal Code and project plans and other actions required by the Project Approvals to implement the Project and the Mitigation Measures. Ministerial Permits and Approvals shall not include any Discretionary Actions.

1.21 "Mitigation Measures" means the environmental mitigation measures described in the FEIR and in the Mitigation Monitoring Program for the Project.

1.22 "Mortgage" has the meaning set forth in Section 6.1, below.

1.23 "Mortgagee" has the meaning set forth in Section 6.2, below.

1.24 "Municipal Code" means the Los Angeles Municipal Code.

1.25 "Parties" means, collectively, the Developer and the City.

1.26 "Party" means any one of the Developer or the City.

1.27 "Planning Commission" means the City Planning Commission and the planning agency of the City pursuant to Section 65867 of the California Government Code (part of the Development Agreement Act).

1.28 "Planning Department" means the City's Department of City Planning.

1.29 "Planning Director" means the Director of City Planning for the City.

1.30 "Proceeding" has the meaning set forth in Section 7.10.1, below.

1.31 "Processing Fees" means all processing fees and charges required by the City or any City Agency, including, but not limited to, fees for land use applications, project permits, building applications, building permits, grading permits, encroachment permits, tract or parcel maps, lot-line adjustments, air right lots, street vacations and certificates of occupancy which are necessary to accomplish the intent and purpose of this Agreement. Expressly exempted from Processing Fees are all Impact Fees that may be imposed by the City on development projects pursuant to laws enacted after the Effective Date of this Agreement, except as specifically provided for in this Agreement. The amount of the Processing Fees to be applied in connection with the development of the Project shall be the amount which is in effect on a City-wide basis at the time an application for the City action is made, unless an alternative amount is established by the City in a subsequent agreement.

1.32 "Project" has the meaning in the recitals above.

1.33 "Project Approvals" means those Discretionary Actions authorizing the Project which have been approved by the City on or before the Effective Date (irrespective of their respective effective dates) under Case Nos. CPC-2016-4219-GPA-ZC, CPC-2016-4220-SN and CPC-2016-2595-DA-CU-MCUP-CUX-SPR, Vesting Tentative Tract Map No. 74239, Council File Nos. 16-0073, 18-0269, 18-0269-S1 and 18-0269-S2 and ENV-2016-121063, including, but not limited, to: (1) the Vesting Tentative Tract Map; (2) a general plan amendment to change the land use designation for the parcel located at 601 W. Pico Boulevard from High Density Residential to Regional Center Commercial, including modifications to Footnote No. 3; (3) a City-initiated zone and height district change for a portion of the Property from [Q]R5-4D-O and C2-4D-O to (T)(Q)C2-4D-O-SN; (4) a City-initiated sign district that includes the Property and 1300 S. Figueroa Street, 535 W. Pico Boulevard, 520-638 W. Pico Boulevard, 1220-1308 S. Flower

Street, and 1309-1315 S. Flower Street; (5) a conditional use permit to allow a hotel within 500 feet of an R residential zone; (6) a conditional use permit to allow floor area averaging in a mixed-use development in the C2 zone; (7) a master conditional use permit for on-site sales of a full line of alcohol; (8) a conditional use permit to allow live dancing and entertainment; and (9) site plan review.

1.34 "Property" has the meaning in the recitals above and as fully described in the legal description attached hereto as Exhibit "A".

1.35 "Reserved Powers" means the rights and authority excepted from this Agreement's restrictions on the City's police powers and which are instead reserved to the City. The Reserved Powers include the powers to enact regulations or take future Discretionary Actions after the Effective Date of this Agreement that may be in conflict with the Applicable Rules and Project Approvals, but: (a) are necessary to protect the public health and safety, and are generally applicable on a City-wide basis (except in the event of natural disasters as found by the City Council such as floods, earthquakes and similar acts of God); (b) are amendments to the Los Angeles Building or Fire Codes regarding the construction, engineering and design standards for private and public improvements and which are (i) necessary to the health and safety of the residents of the City, and (ii) are generally applicable on a Citywide basis (except in the event of natural disasters as found by the Mayor or City Council such as floods, earthquakes, and similar acts of God); (c) are necessary to comply with state or federal laws and regulations (whether enacted previous or subsequent to the Effective Date of this Agreement) as provided in Section 3.7.1.3, below; or (d) constitute Processing Fees and charges imposed or required by the City to cover its actual costs in processing applications, permit requests and approvals of the Project or in monitoring compliance with permits issued or approvals granted for the performance of any conditions imposed on the Project, unless otherwise waived by the City.

1.36 "Term" means the period of time for which this Agreement shall be effective in accordance with Section 7.2, below.

1.37 "Transferee" means a successor in interest, assignee or transferee of all or any portion of the Property that has entered into an Assignment Agreement with the Developer.

1.38 "Vested Discretionary Action" means any of the following Discretionary Actions:

- a. Any amendment of the Vesting Tentative Tract Map, including the conditions of approval relating thereto.
- b. Any Discretionary Action specifically required, addressed or contemplated in the Project Approvals, including without limitation (i) any "plan approval" or "master plan approval" and (ii) any project permit compliance review.

1.39 "Vesting Tentative Tract Map" means Vesting Tentative Tract Map No. 74239 approved by the Deputy Advisory Agency on February 9, 2018, and which became final on February 20, 2018.

ARTICLE 2

Recitals of Premises, Purpose and Intent

2.1 State Enabling Statute. To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California adopted the Development Agreement Act which authorizes any city to enter into binding development agreements establishing certain development rights in real property with persons having legal or equitable interests in such property. Section 65864 of the Development Agreement Act expressly provides as follows:

"The Legislature finds and declares that:

"(a) The lack of certainty in the approval of development projects can result in a waste of resources, escalate the cost of housing and other development to the consumer, and discourage investment in and a commitment to comprehensive planning which would make maximum efficient utilization of resources at the least economic cost to the public.

"(b) Assurance to the applicant for a development project that upon approval of the project, the applicant may proceed with the project in accordance with existing policies, rules and regulations, and subject to conditions of approval will strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic cost of development."

Notwithstanding the foregoing, to ensure that the City remains responsive and accountable to its residents while pursuing the benefits of development agreements contemplated by the Legislature, the City: (1) accepts restraints on its police powers contained in development agreements only to the extent and for the duration required to achieve the mutual objectives of the Parties; and (2) to offset such restraints, seeks public benefits which go beyond those obtained by traditional City controls and conditions imposed on development project applications.

2.2 City Procedures and Actions.

2.2.1 City Planning Commission Action. The Planning Commission held a duly noticed public hearing with respect to this Agreement and recommended its approval on March 8, 2018.

2.2.2 City Council Action. The City Council, on _____, 2018, after conducting a duly-noticed public hearing, adopted Ordinance No. _____, to become effective on the forty-first day after posting or thirty-first day after publication, found that its provisions are consistent with the General Plan and the Municipal Code, and authorized the execution of this Agreement.

2.3 Purpose of this Agreement.

2.3.1 Public Benefits. This Agreement provides assurances that the public benefits identified in Section 3.1.3, below, will be achieved and developed in accordance with the Applicable Rules and Project Approvals and with the terms of this Agreement and subject to the City's Reserved Powers.

2.3.2 Developer Objectives. In accordance with the legislative findings set forth in the Development Agreement Act, and with full recognition of the City's policy of judicious restraints on its police powers, the Developer wishes to obtain reasonable assurances that the Project may be developed in accordance with the Applicable Rules, Project Approvals and other Vested Discretionary Actions and with the terms of this Agreement and subject to the City's Reserved Powers. In the absence of this Agreement, the Developer would have no assurance that it can complete the Project for the uses and to the density and intensity of development set forth in this Agreement, the Project Approvals and other Vested Discretionary Actions. This Agreement, therefore, is necessary to assure the Developer that the Project will not be (a) reduced or otherwise modified in density, intensity or use from what is set forth in the Project Approvals and other Vested Discretionary Actions, (b) subjected to new rules, regulations, ordinances or official policies or plans that are not adopted or approved pursuant to the City's Reserved Powers or (c) subjected to delays for reasons other than Citywide health and safety enactments related to critical situations such as, but not limited to, the lack of water availability or sewer or landfill capacity.

2.3.3 Mutual Objectives. Development of the Project in accordance with this Agreement will provide for the orderly development of the Property in accordance with the objectives set forth in the General Plan. Moreover, this Agreement will eliminate uncertainty in planning for and securing orderly development of the Property, assure installation of necessary improvements, assure attainment of maximum efficient resource utilization within the City at the least economic cost to its citizens and otherwise achieve the goals and purposes for which the Development Agreement Act was enacted. The Parties believe that such orderly development of the Project will provide public benefits to the City through the imposition of development standards and requirements under this Agreement, including without limitation increased tax revenues, installation of onsite and offsite improvements, creation and retention of jobs, and the development of an aesthetically attractive Project, as well as the public benefits described in Section 3.1.3, below. In addition, although development of the Project in accordance with this Agreement will restrain the City's land use or other relevant police powers, this Agreement provides the City with sufficient reserved powers during the Term hereof to remain responsible and accountable to its residents. In exchange for these and other benefits to the City, the Developer will receive assurance that the Project may be developed during the Term of this Agreement in accordance with the Applicable Rules, Project Approvals and other Vested Discretionary Actions, and the Reserved Powers, subject to the terms and conditions of this Agreement.

2.4 Applicability of the Agreement. This Agreement does not: (a) grant height, density or intensity in excess of that otherwise established in the Applicable Rules and Project

Approvals; (b) eliminate future Discretionary Actions relating to the Project if applications requiring such Discretionary Action are initiated and submitted by the owner of the Property after the Effective Date of this Agreement; (c) guarantee that the Developer will receive any profits from the Project; (d) prohibit the Project's participation in any benefit assessment district that is generally applicable to surrounding properties; (e) amend the General Plan, except as amended pursuant to the Project Approvals; or (6) amend the City's Zoning Ordinance, except as amended pursuant to the Project Approvals. This Agreement has a fixed Term. Furthermore, in any subsequent Discretionary Actions applicable to the Property, the City may apply such new rules, regulations and official policies as are contained in its Reserved Powers.

ARTICLE 3 AGREEMENT AND ASSURANCES

3.1 Agreement and Assurance on the Part of Developer. In consideration for the City entering into this Agreement, and as an inducement for the City to obligate itself to carry out the covenants and conditions set forth in this Agreement, and in order to effectuate the promises, purposes and intentions set forth in Section 2.3, above, the Developer hereby agrees as follows:

3.1.1 Project Development. The Developer agrees that it will use commercially reasonable efforts, in accordance with its own business judgment and taking into account market conditions and economic considerations, to undertake development of the Project in accordance with the terms and conditions of this Agreement, the Applicable Rules, the Project Approvals and other Vested Discretionary Actions. However, nothing in this Agreement shall be deemed to obligate the Developer to initiate or complete development of the Project or any portion thereof within any period of time or at all, or deemed to prohibit the Developer from seeking any necessary land use approvals for any different development project on the Property.

3.1.2 Timing of Development. The Parties acknowledge that the Developer cannot at this time predict when or at what rate the Property would be developed. Such decisions depend upon numerous factors that are not all within the control of the Developer, such as market orientation and demand, availability of financing, interest rates and competition. The Developer may therefore construct the Project in either a single phase or multiple phases (lasting any duration of time) within the Term of this Agreement. Because the California Supreme Court held in Pardee Construction Co. v. City of Camarillo, 37 Cal. d 465 (1984), that the failure of the parties therein to provide for the timing of development permitted a later adopted initiative restricting the timing of development and controlling the parties' agreement, the Developer and the City do hereby acknowledge that the Developer has the right to develop the Project in an order and at a rate and times as the Developer deems appropriate within the exercise of its sole and subjective business judgment. The City acknowledges that this right is consistent with the intent, purpose and understanding of the Parties to this Agreement.

3.1.3 Public Benefits. This Agreement provides assurances that the public benefits identified below will be achieved and developed in accordance with the Applicable Rules and Project Approvals and with the terms of this Agreement and subject

to the City's Reserved Powers. The Project will provide the following public benefits to the City:

(a) Pedestrian Signal Crossing Improvements – LADOT. Prior to the issuance of the first Certificate of Occupancy for the Project, the Developer shall: (i) cooperate with the Los Angeles Department of Transportation ("LADOT") to finalize design of the following improvements; and (2) construct, or fund the construction of, these physical improvements at the intersection of W. Pico Boulevard and S. Flower Street:

- i. Pedestrian lead interval for a total cost not to exceed Ten Thousand Dollars (\$10,000).
- ii. High visibility crosswalk for a total cost not to exceed Ten Thousand Dollars (\$10,000).

Notwithstanding the foregoing, in lieu of physically constructing the improvements described above, the Developer may fully satisfy its obligations under this subsection by depositing Twenty Thousand Dollars (\$20,000) with LADOT to fund the construction of such improvements. Such payment shall be made prior to the issuance of the first Certificate of Occupancy. As proof of compliance, the Developer shall provide either (a) a letter from LADOT stating that the improvements have been constructed to the satisfaction of LADOT or (b) a letter from LADOT confirming receipt of the payment of funds.

(b) Scramble Crosswalk – LADOT. Prior to the issuance of the first Certificate of Occupancy, the Developer shall: (1) cooperate with the LADOT to finalize the design of a scramble crosswalk (i.e., a 6-way crosswalk including diagonal crossings) at the intersection of S. Figueroa Street and W. Pico Boulevard; and (2) construct, or fund the construction of, the scramble crosswalk, which includes the following:

- i. Scramble crosswalk for a total cost not to exceed Fifty Thousand Dollars (\$50,000).

Notwithstanding the foregoing, in lieu of physically constructing the improvements described above, the Developer may fully satisfy its obligations under this subsection by depositing Fifty Thousand Dollars (\$50,000) with LADOT to fund the construction of such improvements. Such payment shall be made prior to the issuance of the first Certificate of Occupancy. As proof of compliance, the Developer shall provide either (a) a letter from LADOT stating that the crosswalk have been constructed to the satisfaction of LADOT or (b) a letter from LADOT confirming receipt of the payment of funds.

(c) Wayfinding Signage – Metro. Prior to the issuance of the first Certificate of Occupancy, the Developer shall: (1) cooperate with the Los Angeles County Metropolitan Transportation Authority ("Metro") to identify the design and location of three (3) wayfinding signs; and (2) fund the purchase and installation of such signs along S. Figueroa Street, W. Pico Boulevard, and S. Flower Street, adjacent to the Project Site, as recommended by Metro.

- i. The total cost for the design and installation of the three wayfinding signs shall not exceed Nine Thousand Dollars

(\$9,000) each or Twenty-Seven Thousand Dollars (\$27,000) in the aggregate.

Notwithstanding the foregoing, in lieu of physically constructing the improvements described above, the Developer may fully satisfy its obligation under this subsection by depositing Twenty-Seven Thousand Dollars (\$27,000) with Metro to fund the design and construction of such improvements. Such payment shall be made prior to the issuance of the first Certificate of Occupancy. As proof of compliance, the Developer shall provide either (a) a letter from Metro stating that the signs have been installed to the satisfaction of Metro or (b) a letter from Metro confirming receipt of the payment of funds..

(d) Real Time Transfer Signage – Metro. Prior to the issuance of the first Certificate of Occupancy, the Developer shall: (1) coordinate with Metro to identify the design and location of a single LCD color display sign; and (2) fund the purchase and installation of the LCD sign at the bus shelter on W. Pico Boulevard at S. Flower Street.

- i. The total cost for the design and installation of the LCD sign shall not exceed Thirty Thousand Dollars (\$30,000).

Notwithstanding the foregoing, in lieu of physically constructing the improvement described above, the Developer may fully satisfy its obligation under this subsection by depositing Thirty Thousand Dollars (\$30,000) with Metro to fund the design and construction of such improvement. Such payment shall be made prior to the issuance of the first Certificate of Occupancy. As proof of compliance, the Developer shall provide either (a) a letter from Metro stating that the sign has been installed to the satisfaction of Metro or (b) a letter from Metro confirming receipt of the payment of funds.

(e) Bus Shelter Seating and Amenities – Bureau of Street Services. Prior to the issuance of the first Certificate of Occupancy, the Developer shall: (1) cooperate with the City of Los Angeles Bureau of Street Services to identify the design and location of a single bus shelter (which shall be a "Pacific Collection" design and consistent with the MyFigueroa Streetscape project) on W. Pico Boulevard near S. Flower Street; and (2) construct, or fund the construction of, the bus shelter on W. Pico Boulevard near S. Flower Street.

- i. The total cost for the design and construction of the bus shelter shall not exceed Thirty Thousand Dollars (\$30,000).

Notwithstanding the foregoing, in lieu of physically constructing the improvement described above, the Developer may fully satisfy its obligation under this subsection by depositing Thirty Thousand Dollars (\$30,000) with the Bureau of Street Services to fund the design and construction of such improvement. Such payment shall be made prior to the issuance of the first Certificate of Occupancy. As proof of compliance, the Developer shall provide either (a) a letter from the Bureau of Street Services stating that the bus shelter has been constructed to the satisfaction of the Bureau of Street Services or (b) a letter from the Bureau of Street Services confirming receipt of the payment of funds.

(f) Digital Display – LACC and Metro. In the event that a digital display is approved and constructed on the east side of the "Hotel C" tower facing S. Flower Street

(the "Hotel C Digital Display"), then following the date on which the Hotel C Digital Display becomes operational, and subject to Annual Review thereafter in accordance with Section 4.1, below, the Developer shall make the Hotel C Digital Display available for use by the Los Angeles Convention Center ("LACC") and Metro, at no cost, not less than two (2) minutes per hour for LACC and not less than two (2) minutes per hour for Metro. The time on the Hotel C Digital Display shall be provided within each hour increment and cannot be consolidated into a single hour, and each time increment shall not be less than 8 seconds (consistent with "Controlled Refresh Rate 1", as defined in of the Figueroa and Pico Sign District Ordinance). As part of the Annual Review, the Developer shall demonstrate compliance with this requirement by showing that LACC and Metro used the display time described in this Section.

(g) Public Benefits Trust Fund – CD 14. On the annual anniversary of the Effective Date of the Development Agreement, the Developer shall make an annual payment to the Council District 14 Public Benefits Trust Fund No. 57L-14 in the amount of One Hundred Thousand Dollars (\$100,000) to support Council District 14's efforts to address blight removal, facade improvements, street cleaning, graffiti removal, etc. within the boundaries of Council District 14, for a total sum of One Million Dollars (\$1,000,000) over a ten-year period. Should this Agreement be terminated by the City prior to the expiration of the Term, the Developer shall pay any remaining payments as a lump sum, such that the Developer's total payment will equal One Million Dollars (\$1,000,000) upon such early termination.

(h) Homelessness Trust Fund – CD 14. The Developer shall contribute One Hundred Fifty Thousand Dollars (\$150,000) to Council District 14 Public Benefits Trust Fund No. 57L-14 to fund homeless services and facilities within the boundaries of Council District 14. Such payment shall be made prior to the issuance of the first Certificate of Occupancy and the Developer shall provide a letter from Council District 14 verifying receipt of funds as proof of compliance.

3.2 Agreement and Assurances on the Part of the City. In consideration for the Developer entering into this Agreement, and as an inducement for the Developer to obligate itself to carry out the covenants and conditions set forth in this Agreement, and in order to effectuate the promises, purposes and intentions set forth in Section 2.3, above, the City hereby agrees as follows:

3.2.1 Entitlement to Develop. The Developer has the vested right to develop the Project subject to the terms and conditions of this Agreement, the Applicable Rules, Project Approvals and other Vested Discretionary Actions, and the Reserved Powers. The Developer's vested rights under this Agreement shall include, without limitation, the right to remodel, renovate, rehabilitate, rebuild or replace the Project or any portion thereof throughout the applicable Term for any reason, including, without limitation, in the event of damage, destruction or obsolescence of the Project or any portion thereof, subject to the Applicable Rules, Project Approvals and other Vested Discretionary Actions, and Reserved Powers. To the extent that all or any portion of the Project is remodeled, renovated, rehabilitated, rebuilt or replaced, the Developer may locate that portion of the Project at any other location of the Property, subject to the requirements of the Project Approvals and other Vested Discretionary Actions, the Applicable Rules, and the Reserved Powers.

3.2.2 Consistency in Applicable Rules. Based upon all information made available to the City up to or concurrently with the execution of this Agreement, the City finds and certifies that no Applicable Rules prohibit, prevent or encumber the full completion and occupancy of the Project in accordance with the uses, intensities, densities, designs and heights, permitted demolition, and other development entitlements incorporated and agreed to herein and in the Project Approvals.

3.2.3 Changes in Applicable Rules.

3.2.3.1 Non-application of Changes in Applicable Rules. Any change in, or addition to, the Applicable Rules, including, without limitation, any change in any applicable general or specific plan, zoning or building regulation, adopted or becoming effective after the Effective Date of this Agreement, including, without limitation, any such change by means of ordinance, including but not limited to adoption of a specific plan or overlay zone, City Charter amendment, initiative, referendum, resolution, motion, policy, order or moratorium, initiated or instituted for any reason whatsoever and adopted by the City, the Mayor, the City Council, the Planning Commission, any City Agency, or any officer or employee thereof, or by the electorate, as the case may be, which would, absent this Agreement, otherwise be applicable to the Property and/or the Project and which would conflict in any way with the Applicable Rules, Project Approvals, the Vested Discretionary Actions or this Agreement, shall not be applied to the Property or the Project unless such changes represent an exercise of the City's Reserved Powers, or are otherwise agreed to in this Agreement. Notwithstanding the foregoing, the Developer may, in its sole discretion, give the City written notice of its election to have any subsequent change in the Applicable Rules applied to some portion or all of the Property as it may own, in which case such subsequent changes in the Applicable Rules shall be deemed to be contained within the Applicable Rules insofar as that portion of the Property is concerned. In the event of any conflict or inconsistency between this Agreement and the Applicable Rules, the provisions of this Agreement shall control.

3.2.3.2 Changes in Building and Fire Codes. Notwithstanding any provision of this Agreement to the contrary, development of the Project shall be subject to changes that may occur from time to time in the California Building Code and other uniform construction codes, except as modified in the City's Building and Fire Codes. In addition, development of the Project shall be subject to any changes occurring from time to time in the Municipal Code regarding the construction, engineering and design standards for both public and private improvements provided that these changes are (a) necessary to the health and safety of the residents of the City, and (b) are generally applicable on a Citywide basis (except in the event of natural disasters as found by the Mayor or City Council, such as floods, earthquakes and similar disasters).

3.2.3.3 Changes Mandated by Federal or State Law. This Agreement shall not preclude the application to the Project of changes in, or additions to, the Applicable Rules, including rules, regulations, ordinances and official policies, to the extent that such changes or additions are mandated to be applied to developments such as this Project by state or federal regulations, pursuant to the Reserved Powers. In the event state or federal laws or regulations prevent or preclude compliance with one or more provisions of this Agreement, such provisions shall be modified or suspended as may be necessary to comply with such state or federal laws or regulations.

3.2.4 Subsequent Development Review. The City shall not require the Developer to obtain any approvals or permits for the development of the Project in accordance with this Agreement other than those permits or approvals that are required by the Applicable Rules, the Reserved Powers and/or the Project Approvals. However, any subsequent Discretionary Action initiated by the Developer that is not a Vested Discretionary Action shall be subject to the rules, regulations, ordinances and official policies of the City then in effect. The Parties agree that this Agreement does not modify, alter or change the City's obligations pursuant to CEQA and acknowledge that future Discretionary Actions may require additional environmental review pursuant to CEQA. In the event that additional environmental review is required by CEQA, the City agrees to either (a) utilize tiered environmental documents to the fullest extent permitted by law, as determined by the City, and as provided in Sections 21093 and 21094 of the California Public Resources Code, or (b) require additional environmental review in accordance with Section 21166 of the California Public Resources Code and Sections 15162-15164 of the State CEQA Guidelines, in each case as determined by the City and as applicable.

3.2.5 Administrative Changes and Modifications. The Developer may demonstrate that refinements, changes and modifications to the Project are appropriate with respect to the performance of the Parties under this Agreement. The Parties desire to retain a certain degree of flexibility with respect to the details of the Project development and with respect to those items covered in general terms under this Agreement and Project Approvals. If and when the City determines that a proposed refinement, change or modification to the Project is in substantial conformance with the Project Approvals and any Vested Discretionary Action, the Planning Department may effectuate such refinements, changes and modifications through administrative modifications approved by the Parties. As used herein, "substantial conformance" means substantially consistent with the Project Approvals.

3.2.6 Effective Development Standards. The City agrees that it is bound to permit the uses, intensities of use and densities on the Property that are permitted by this Agreement, the Project Approvals and other Vested Discretionary Actions, insofar as this Agreement, the Project Approvals and other Vested Discretionary Actions so provide or as otherwise set forth in the Applicable Rules or the Reserved Powers.

3.2.7 Interim Use. The City agrees that the Developer may use the Property during the term of this Agreement for any use that is otherwise permitted by the applicable zoning regulations and the General Plan in effect at the time of such interim use (subject to obtaining any Discretionary Action required for such use) or pursuant to any approvals, permits, other agreements between the City and the Developer, or other entitlements previously granted and in effect as of the Effective Date.

3.2.8 Moratoria or Interim Control Ordinances. In the event an ordinance, resolution, policy, moratorium or other measure is enacted by action of the City that relates directly or indirectly to the Project or to the permitting, rate, amount, timing, sequencing, or phasing of the development, construction or use of the Project on all or any part of the Property, the City agrees that such ordinance, resolution, moratorium or other measure shall not apply to the Project, the Property or this Agreement, unless

such changes (1) are found by the City to be necessary to the public health and safety of the residents of the City, (2) are generally applicable on a Citywide basis except in the event of natural disasters as found by the Mayor or the City Council, such as floods, earthquakes and similar disasters and (3) are necessary to comply with state or federal laws and regulations (whether enacted previous or subsequent to the Effective Date of this Agreement) as provided in Section 3.2.3.3, above. Notwithstanding the foregoing or anything to the contrary in this Agreement (including, without limitation, any provision to the contrary in Section 3.2.3.1, above), in the event an ordinance, resolution, policy, moratorium or other measure is enacted, whether by initiative or pursuant to any action not taken by the City, that relates directly or indirectly to the Project or to the permitting, rate, amount, timing, sequencing, or phasing of the development, construction or use of the Project on all or any part of the Property, the City agrees that such ordinance, resolution, moratorium or other measure shall not apply to the Project, the Property or this Agreement, unless such changes are necessary to comply with state or federal laws and regulations (whether enacted previous or subsequent to the Effective Date of this Agreement) as provided in Section 3.2.3.3, above.

3.2.9 Time Period of Vesting Tentative Tract Map and Project Approvals. The City acknowledges that the construction of the Project may be subject to unavoidable delays due to factors outside the Developer's control. Pursuant to 66452.6(a)(1) of the California Government Code, and other applicable provision of the Subdivision Map Act, the duration of the Vesting Tentative Tract Map and any new tract map or subdivision approval which is consistent with the Project Approvals, shall automatically be extended for the Term of this Agreement. The City further agrees that the duration of the other Project Approvals shall automatically be extended for the Term of this Agreement.

3.2.10 Special Taxes and Assessments. The Developer shall not be obligated to support infrastructure financing undertaken by the City or others. The Developer shall have the right, to the extent permitted by law, to protest, oppose and vote against any and all special taxes, assessments, levies, charges and/or fees imposed with respect to any assessment districts, Mello-Roos or community facilities districts, maintenance districts or other similar districts.

3.2.11 Impact Fees. Impact Fees imposed by the City with respect to the Project shall be only those Impact Fees in full force and effect as of the Effective Date. This Agreement shall not limit any impact fees, linkage fees, exaction, assessments or fair share charges or other similar fees or charges imposed by other governmental entities and which the City is required to collect or assess pursuant to applicable law (e.g., school district impact fees pursuant to Section 65995 of the California Government Code).

3.2.12 Processing Fees. The Developer shall pay all Processing Fees for Ministerial Permits and Approvals in the amount in effect when such Ministerial Permit and Approvals are sought.

3.2.13 Time Frames and Staffing for Processing and Review. The City agrees that expeditious processing of Ministerial Permits and Approvals and Discretionary

Actions, if any, and any other approvals or actions required for the Project are critical to the implementation of the Project. In recognition of the importance of timely processing and review of Ministerial Permits and Approvals, the City agrees to work with the Developer to establish time frames for processing and reviewing such Ministerial Permits and Approvals and to comply with time frames established in the Project Approvals. The City agrees to expedite all Ministerial Permits and Approvals and Discretionary Actions requested by the Developer, provided that the Developer agrees to pay any applicable fee for expedited review and processing time.

3.2.14 Other Governmental Approvals. The Developer may apply for such other permits and approvals as may be required for development of the Project in accordance with the provisions of this Agreement from other governmental or quasi-governmental agencies having jurisdiction over the Property. The City shall reasonably cooperate with the Developer in its endeavors to obtain such permits and approvals. Each Party shall take all reasonable actions, and execute, with acknowledgment or affidavit, if required, any and all documents and writings that may be reasonably necessary or proper to achieve the purposes and objectives of this Agreement.

ARTICLE 4 ANNUAL REVIEW

4.1 Annual Review. During the Term of this Agreement, the City shall review annually the good-faith compliance with this Agreement by Developer and/or any Transferee. This periodic review shall be limited in scope to good-faith compliance with the provisions of this Agreement as provided in the Development Agreement Act, and the Developer and/or any Transferee shall have the burden of demonstrating such good-faith compliance relating solely to each Party's portion of the Property and any development located thereon. The Annual Review shall be in the form of an annual report prepared and submitted by the Planning Director (the "Annual Report"). The Annual Report shall include: the number, type and square footage of and the status of the Project; the total number of parking spaces developed, if any; provisions for open space, if any; status of activities relating the streetscape improvements, if any; and a summary of performance of the Developer's obligations.

4.2 Pre-Determination Procedure. The submission by Developer and/or Transferee of evidence of compliance with this Agreement, in a form which the Planning Director may reasonably establish, shall be made in writing and transmitted to the Planning Director not later than thirty (30) days prior to the yearly anniversary of the Effective Date. If the public has comments regarding compliance, such comments must be submitted at least thirty (30) days prior to the yearly anniversary of the Effective Date. All such public comments and final staff reports shall, upon receipt by the City, be made available as soon as possible to the Developer and/or any Transferees.

4.2.1 Special Review. The City may order a special review of compliance with this Agreement upon reasonable evidence of material non-compliance with the terms of this Agreement.

4.3 Planning Director's Determination. On or before the yearly anniversary of the Effective Date of this Agreement, the Planning Director shall make a determination regarding whether or not Developer has complied in good faith with the provisions and conditions of this Agreement. This determination shall be made in writing with reasonable specificity, and a copy of the determination shall be provided to the Developer and/or any Transferee in the manner prescribed in Section 7.11, below.

4.4 Appeal by Developer. In the event the Planning Director makes a finding and determination of non-compliance, Developer and/or any Transferee, as the case may be, shall be entitled to appeal that determination to the Planning Commission within twenty-five (25) days following the Planning Director's decision. After a public hearing on the appeal, the Planning Commission shall, within twenty-five (25) days thereafter, make written findings and determinations, on the basis of substantial evidence, whether or not the Developer and/or any Transferee, as the case may be, has complied in good faith with the provisions and conditions of this Agreement. A finding and determination of compliance by the Planning Commission shall be final and effective. Nothing in this Agreement shall be construed as modifying or abrogating any provision in the Los Angeles City Charter.

4.5 Period to Cure Non-Compliance. If, as a result of this annual review procedure, it is found and determined by the Planning Director or the Planning Commission on appeal, that the Developer and/or any Transferee, as the case may be, has not complied in good faith with the provisions and conditions of this Agreement, the City, after denial of any appeal or, where no appeal is taken, and after the expiration of the appeal period described in Section 7.3, below, shall submit to the Developer and/or Transferee, by registered or certified mail, return receipt requested, a written notice of non-compliance in the manner prescribed in Section 7.11, stating with specificity those obligations of the Developer and/or Transferee that have not been performed. Upon receipt of the notice of non-compliance, the Developer and/or any Transferee, as the case may be, shall promptly commence to cure the identified items of non-compliance at the earliest reasonable time after receipt of the notice of non-compliance and shall complete the cure of such items of non-compliance not later than sixty (60) days after receipt of the notice of non-compliance, or such longer period as is reasonably necessary to remedy such items of non-compliance, provided that the Developer shall continuously and diligently pursue the remedy at all times until such item of non-compliance is cured.

4.6 Failure to Cure Non-Compliance Procedure. If the Planning Director finds and determines that the Developer and/or a Transferee has not cured an item of non-compliance pursuant to this Section, and that the City intends to terminate or modify this Agreement or those transferred or assigned rights and obligations, as the case may be, the Planning Director shall make a report to the Planning Commission. The Planning Director shall then set a date for a public hearing before the Planning Commission in accordance with the notice and hearing requirements of Government Code Sections 65867 and 65868. If after such public hearing, the Planning Commission finds and determines, on the basis of substantial evidence, that (a) the Developer and/or a Transferee has not cured a default pursuant to this Section and (b) the City may terminate or modify this Agreement, or those transferred or assigned rights and obligations, as the case may be, the finding and determination shall be appealable to the City Council in accordance with Section 7.3, below. In the event of a finding and determination of compliance, there shall be no

appeal by any person or entity. Nothing in this Section or this Agreement shall be construed as modifying or abrogating any provision of the Los Angeles City Charter.

4.7 Termination or Modification of Agreement. The City may terminate or modify this Agreement, or those transferred or assigned rights and obligations, as the case may be, after a finding or determination of non-compliance by the City Council or, where no appeal is taken, after the expiration of the appeal period described in Section 7.3, below. There shall be no modifications of this Agreement unless the City Council acts pursuant to Government Code Sections 65867.5 and 65868, irrespective of whether an appeal is taken as provided in Section 7.3, below.

4.8 Reimbursement of Costs. The Developer shall reimburse the City for its actual costs, reasonably and necessarily incurred, to accomplish the required annual review.

4.9 City's Rights and Remedies Against Developer. The City's rights under this Section 4 relating to Developer's compliance with this Agreement by shall be limited to Developer's obligations under this Agreement and any expressly retained obligations pursuant to an Assignment Agreement authorized by Section 7.7, below.

ARTICLE 5 DEFAULT PROVISIONS

5.1 Default by Developer.

5.1.1 Default. In the event the Developer or a Transferee of any portion of the Property fails to perform its obligations under this Agreement applicable to its portion of the Property, as specified in the applicable Assignment Agreement, in a timely manner and in compliance pursuant to Section 4, above, the City shall have all rights and remedies provided for in this Agreement, including, without limitation, modifying or terminating this Agreement, which shall relate exclusively to the defaulting Party and such defaulting Party's portion of the Property, provided that the City has first complied with all applicable notice and opportunity to cure provisions in Section 5.1.2, below, and given the required notice in the manner provided in Section 7.11, below, and provided further that Developer may appeal such declaration in the manner provided in, and subject to all terms and provisions of Sections 4.4 and 4.5, above. In no event shall a default by a Developer or a Transferee of any portion of the Property constitute a default by any non-defaulting Developer or Transferee with respect to such non-defaulting party's obligations hereunder nor affect such non-defaulting party's rights hereunder or respective portion of the Property.

5.1.2 Notice of Default. The City, through the Planning Director, shall submit to the Developer or a Transferee, as applicable, a written notice of default in the manner prescribed in Section 7.11, below, identifying with specificity those obligations of the Developer or a Transferee, as applicable, which have not been performed. Upon receipt of the notice of default, the Developer or Transferee shall promptly commence to cure the identified default(s) at the earliest reasonable time after receipt of the notice of default and shall complete the cure of the default(s) not later than sixty (60) days after receipt of the notice of default, or a longer period as is reasonably necessary to remedy

the default(s), provided that the Developer or Transferee, as applicable, shall continuously and diligently pursue the remedy at all times until the default(s) is cured. In the case of a dispute as to whether the Developer has cured the default, the Parties shall submit the matter to dispute resolution pursuant to Section 7.5, below.

5.1.3 Failure to Cure Default Procedures. If, after the cure period has elapsed, the Planning Director finds and reasonably determines that the Developer or a Transferee, as the case may be, remains in default and that the City intends to terminate or modify this Agreement, or those transferred or assigned rights and obligations, as the case may be, the Planning Director shall make a report to the Planning Commission and then set a public hearing before the Planning Commission in accordance with the notice and hearing requirements of Government Code Sections 65867 and 65868. If, after public hearing, the Planning Commission finds and determines, on the basis of substantial evidence, that the Developer or a Transferee, as the case may be, remains in default and that the City intends to terminate or modify this Agreement, or those transferred or assigned right and obligations, as the case may be, the Developer or Transferee, as the case may be, shall be entitled to appeal that finding and determination to the City Council in accordance with Section 7.3, below. In the event of a finding and determination by the Planning Commission that all defaults are cured, there shall be no appeal by any person or entity. Nothing in this Section or this Agreement shall be construed as modifying or abrogating any provision of the Los Angeles City Charter.

5.1.4 Termination or Modification of Agreement. The City may terminate or modify this Agreement, or those transferred or assigned rights and obligations, as the case may be, relating solely to the defaulting Developer or Transferee and such defaulting party's portion of the Property after such final determination of the City Council or, where no appeal is taken after the expiration of the appeal periods described in Section 7.3, below, relating to the defaulting party's rights and obligations. There shall be no termination or modification of this Agreement unless the City Council acts pursuant to Section 7.3, below.

5.2 Default by the City.

5.2.1 Default. In the event the City defaults under the provisions of this Agreement, the Developer and any Transferees shall have all rights and remedies provided herein or by applicable law, which shall include compelling the specific performance of the City's obligations under this Agreement, provided that the Developer or a Transferee, as the case may be, has first complied with the procedures in Section 5.2.2, below. No part of this Agreement shall be deemed to abrogate or limit any immunities or defenses the City may otherwise have with respect to claims for monetary damages.

5.2.2 Notice of Default. The Developer or a Transferee, as the case may be, shall first submit to the City a written notice of default stating with specificity those obligations which have not been performed. Upon receipt of the notice of default, the City shall promptly commence to cure the identified default(s) at the earliest reasonable time after receipt of the notice of default and shall complete the cure of such default(s) not later than one hundred and twenty (120) days after receipt of the notice of default, or such

longer period as is reasonably necessary to remedy such default(s), provided that the City shall continuously and diligently pursue the remedy at all times until such default(s) is cured. In the case of a dispute as to whether the City has cured the default, the Parties shall submit the matter to dispute resolution pursuant to Section 7.5, below.

5.3 No Monetary Damages. It is acknowledged by the Parties that neither the City nor the Developer would have entered into this Agreement if it were liable in monetary damages under or with respect to this Agreement or the application thereof. The Parties agree and recognize that, as a practical matter, it may not be possible to determine an amount of monetary damages that would adequately compensate the Developer for its investment of time and financial resources in planning to arrive at the kind, location, intensity of use, and improvements for the Project, nor to calculate the consideration the City would require to enter into this Agreement to justify the exposure. Therefore, the Parties agree that each of the Parties may pursue any remedy at law or equity available for any breach of any provision of this Agreement, except that neither Party nor any Transferee shall be liable in monetary damages and the Parties covenant not to sue for or claim any monetary damages for the breach of any provision of this Agreement.

ARTICLE 6 MORTGAGEE RIGHTS

6.1 Encumbrances on the Property. The Parties agree that this Agreement shall not prevent or limit the Developer from encumbering the Property or any estate or interest therein, portion thereof, or any improvement thereon, in any manner whatsoever by one or more mortgages, deeds of trust, sale and leaseback, or other form of secured financing (each, a "Mortgage") with respect to the construction, development, use or operation of the Project and portions thereof. The City acknowledges that the lender(s) providing such Mortgages may require certain Agreement interpretations and modifications and agrees, upon request, from time to time, to meet with the Developer and representatives of such lender(s) through its Planning Department to negotiate in good faith any such request for interpretation or modification. The City, acting through its Planning Department, will not unreasonably withhold, delay or condition its consent to any such requested interpretation or modification, provided such interpretation or modification is consistent with the intent and purposes of this Agreement. The City further agrees to cooperate in processing for approval by City Council a suitable amendment to this Agreement for any provision that may reasonably be requested by any proposed Mortgagee for the purpose of allowing such Mortgagee reasonable means to protect or preserve a lien and security interest of its Mortgage hereunder, as well as such other documents containing terms and provisions customarily required by Mortgagees (taking into account the customary requirements of their participants, syndication partners or rating agencies) in connection with any such financing, including without limitation amendments relating to the allocation of responsibility for the payment and performance of the public benefits described in Section 3.1.3, above, in the event the applicable Mortgage only encumbers a portion of the Project and the Project. If approved by the City Council, the City agrees to execute and deliver (and to acknowledge, if necessary, for recording purposes) any agreement necessary to effectuate any such amendment; provided, however, that any such amendment shall not in any way materially adversely affect any rights of either Party under this Agreement. If there is any conflict between this Article 6 and any other provisions contained in this Agreement, this Article 6 shall control.

6.2 Mortgage Protection. To the extent legally permissible, this Agreement shall be superior and senior to any lien placed upon the Property, or any portion thereof, including the lien of any Mortgage. Notwithstanding the foregoing, no breach of this Agreement shall defeat, render invalid, diminish, or impair the lien of any Mortgage made in good faith and for value. Any acquisition or acceptance of title or any right or interest in or with respect to the Property or any portion thereof by the holder of the beneficial interest under a Mortgage (a "Mortgagee"), pursuant to foreclosure, trustee's sale, deed in lieu of foreclosure, lease or sublease termination or otherwise, shall be subject to all of the terms and conditions of this Agreement, provided that any such Mortgagee, including its affiliate, that takes title to the Property or any portion thereof shall be entitled to all of the benefits arising under this Agreement with respect to the applicable portion of the Property and the Project.

6.3 Mortgagee Not Obligated. Notwithstanding any provision to the contrary in this Article 6, no Mortgagee shall have any obligation or duty pursuant to this Agreement to perform the obligations of the Developer or other affirmative covenants of the Developer hereunder, or to guarantee such performance, except that Mortgagee and any successor shall have no vested right under this Agreement to develop the Project or the applicable portion thereof without fully complying with the terms of this Agreement and executing and delivering to the City, in a form and with terms reasonably acceptable to the City, an assumption agreement of the Developer's obligations hereunder with respect to the applicable portion of the Property and the Project; provided, however, in no event shall such Mortgagee be liable for any defaults or monetary obligations of the Developer arising prior to acquisition of title to the applicable portion of the Property and the Project by such Mortgagee, except that any such Mortgagee shall not be entitled to a building permit or certificate of occupancy with respect to such portion of the Project until all delinquent and current fees and other monetary or nonmonetary obligations due under this Agreement for such portion of the Property and the Project acquired by such Mortgagee have been satisfied.

6.4 Request for Notice to Mortgagee. Any Mortgagee that has submitted a request in writing to the City in the manner specified herein for giving notices shall be entitled to receive written notification from the City of any notice of non-compliance given to the Developer with respect to the performance of the Developer's obligations under this Agreement.

6.5 Mortgagee's Time to Cure. If the City timely receives a written request from a Mortgagee requesting a copy of any notice of non-compliance given to the Developer under the terms of this Agreement, the City shall provide a copy of such notice to Mortgagee within ten (10) days of sending such notice to the Developer. Mortgagee shall have the right, but not the obligation, to cure the non-compliance for a period of sixty (60) days after Mortgagee receives written notice of non-compliance, or any longer period as is reasonably necessary, not to exceed one hundred twenty (120) days, to remedy such items of non-compliance, provided that Mortgagee shall continuously and diligently pursue the remedy at all times until the item of non-compliance is cured.

6.6 Bankruptcy. If any Mortgagee is prohibited from commencing or prosecuting foreclosure or other appropriate proceedings in the nature of foreclosure by any process or injunction issued by any court or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceedings involving the Developer, the times specified in Section 6.5,

above, shall be extended for the period of the prohibition, except that any such extension shall not extend the Term of this Agreement.

6.7 Disaffirmation. If this Agreement is terminated as to any portion of the Property by reason of (a) any default or (b) as a result of a bankruptcy proceeding, this Agreement is disaffirmed by a receiver, liquidator, or trustee for the Developer or its property, the City, if requested by any Mortgagee, shall negotiate in good faith with such Mortgagee for a new development agreement for the Project as to such portion of the Property with the most senior Mortgagee requesting such new agreement. This Agreement does not require any Mortgagee or the City to enter into a new development agreement pursuant to this Section 6.7.

6.8 Estoppel Certificate. The City shall, at any time and within sixty (60) days following the written request of a Mortgagee, certify in writing to such Mortgagee that (a) this Agreement is in full force and effect and a binding obligations of the parties hereto, (b) this Agreement has not been amended or modified or, if so amended or modified, identifying the amendments and modifications, and (c) the Developer is not in default in the performance of its obligations under this Agreement or, if in default, to describe therein the nature and extent of any such default. Any such estoppel certificate shall be administratively issued by the Planning Director or his/her representative or designee.

ARTICLE 7 GENERAL PROVISIONS

7.1 Effective Date. The effective date of this Agreement shall be the date on which the Agreement is attested by the City Clerk of the City of Los Angeles after execution by the Developer and the Mayor of the City of Los Angeles (the "Effective Date").

7.2 Term. The Term of this Agreement shall commence on the Effective Date and shall extend for a period of ten (10) years after the Effective Date, unless the Term is otherwise terminated, modified or extended by circumstances set forth in this Agreement or by mutual consent in writing of the Parties. Following the expiration of the Term, this Agreement shall terminate and be of no further force and effect; provided, however, that this termination shall not affect any right or duty arising from entitlements or approvals, including the Project Approvals, approved concurrently with, or subsequent to, the Effective Date. The Term of this Agreement shall automatically be extended for the period of time of any actual delay resulting from (a) the City's exercise of its Reserved Powers or enactment of moratoria, (b) legal actions or appeals that enjoin performance under this Agreement or act to stay performance under this Agreement (other than bankruptcy or similar procedures), or (c) any actions pursuant to Section 7.5 (Dispute Resolution), below, or from any litigation related to the Project or Project Approvals, this Agreement or the Property.

7.3 Appeal to City Council. Where an appeal by the Developer or a Transferee, as the case may be, to the City Council from a finding and/or determination of the Planning Commission is created by this Agreement, such appeal shall be taken, if at all, within fourteen (14) days after the mailing of such finding and/or determination to the Developer or Transferee, as the case may be. The City Council shall act upon the finding and/or determination of the Planning Commission within eighty (80) days after such mailing, or within such additional period as may

be agreed upon by the Developer or Transferee, as the case may be, and the City Council. The failure of the City Council to act shall not be deemed to be a denial or approval of the appeal, which shall remain pending until final City Council action.

7.4 Enforced Delay; Extension of Time of Performance. In addition to specific provisions of this Agreement, whenever a period of time, including a reasonable period of time, is designated within which either Party is required to do or complete any act, matter or thing, the time for the doing or completion thereof shall be extended by a period of time equal to the number of days during which such Party is actually prevented from, or is unreasonably interfered with, the doing or completion of such act, matter or thing because of causes beyond the reasonable control of the Party to be excused, including: war; insurrection; strikes; walkouts; riots; floods; earthquakes; fires; casualties; acts of God; litigation and administrative proceedings against the Project (not including any administrative proceedings contemplated by this Agreement in the normal course of affairs (such as the annual review described in Section 4.1, above)); any approval required by the City (not including any period of time normally expected for the processing of such approvals in the ordinary course of affairs); restrictions imposed or mandated by other governmental entities; enactment of conflicting state or federal laws or regulations; judicial decisions; the exercise of the City's Reserved Powers; or similar bases for excused performance that are not within the reasonable control of the Party to be excused (financial inability excepted). This Section 7.4 shall not be applicable to any proceedings with respect to bankruptcy or receivership initiated by or on behalf of the Developer or a Transferee or, if not dismissed within ninety (90) days, by any third parties against the Developer or a Transferee. If written notice of such delay is given to either party within thirty (30) days of the commencement of such delay, an extension of time for such cause will be granted in writing for the period of the enforced delay, or longer as may be mutually agreed upon.

7.5 Dispute Resolution.

7.5.1 Dispute Resolution Proceedings. The Parties may agree to dispute resolution proceedings to fairly and expeditiously resolve disputes or questions of interpretation under this Agreement. These dispute resolution proceedings may include: (a) procedures developed by the City for expeditious interpretation of questions arising under development agreements; (b) arbitration as provided below; or (c) any other manner of dispute resolution which is mutually agreed upon by the parties.

7.5.2 Arbitration. Any dispute between the Parties that the Parties agree to resolve by arbitration shall be settled and decided by arbitration conducted by an arbitrator who must be a former judge of the Los Angeles County Superior Court or Appellate Justice of the Second District Court of Appeals or the California Supreme Court. This arbitrator shall be selected by mutual agreement of the Parties.

7.5.2.1 Arbitration Procedures. Upon appointment of the arbitrator, the matter shall be set for arbitration at a time not less than thirty (30) nor more than ninety (90) days from the effective date of the appointment of the arbitrator. The arbitration shall be conducted under the procedures set forth in Code of Civil Procedure Section 638, *et seq.*, or under such other procedures as are agreeable to both Parties, except that provisions of the California Code of Civil

Procedure pertaining to discovery and the provisions of the California Evidence Code shall be applicable to such proceeding.

7.5.3 Extension of Term. The Term of this Agreement, as set forth in Section 7.2, above, shall automatically be extended for the period of time in which the Parties are engaged in dispute resolution to the degree that such extension of the Term is reasonably required because activities which would have been completed prior to the expiration of the Term are delayed beyond the scheduled expiration of the Term as the result of such dispute resolution.

7.5.4 Legal Action. Subject to the limitations on remedies imposed by this Agreement, either Party may, in addition to any other rights or remedies at law or in equity, institute legal action in a court of competent jurisdiction to cure, correct, or remedy any default, enforce any covenant or agreement herein, enjoin any threatened or attempted violation, or enforce by specific performance the obligations and rights of the Parties. Notwithstanding the above, the City's right to seek specific performance shall be specifically limited to compelling the Developer to complete, demolish or make safe any particular improvement(s) on public lands which is required as a Mitigation Measure or condition of a Project Approval. The Developer shall have no liability (other than the potential termination of this Agreement) if the contemplated development fails to occur.

7.5.5 Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California, and the venue for any legal actions brought by any party with respect to this Agreement shall be the County of Los Angeles, State of California for state actions and the Central District of California for any federal actions.

7.6 Amendments. This Agreement may be amended from time to time by mutual consent in writing of the Parties (and, or in lieu of the Developer, as applicable, any Transferee or Mortgagee of the Property or any portion thereof) in accordance with Government Code Section 65868. Any amendment to this Agreement that relates to the Term, permitted uses, density or intensity of use, height, or size of buildings, provisions for reservation and dedication of land, conditions, restrictions, and requirements relating to subsequent Discretionary Actions or any conditions or covenants relating to the use of the Property, that are not allowed or provided for under, or do not substantially conform to, the Project Approvals or Applicable Rules, shall require notice and public hearing before the Parties may execute an amendment thereto, except as otherwise provided in Section 3.2.5, above. The City hereby agrees to grant priority processing status to any request(s) to amend this Agreement. The City will use all reasonable and good faith efforts to schedule any noticed public hearings required to amend this Agreement before the Planning Commission and/or City Council as soon as practicable. The Developer, or a Transferee or Mortgagee as applicable, shall reimburse the City for its actual costs, reasonably and necessarily incurred, to review any amendments requested by the Developer, Transferee or Mortgagee, including the cost of any public hearings.

7.7 Assignment. The Developer shall have the right to sell, assign or transfer fee, leasehold, or other interests in the Property and the Project without consent of the City. The rights and obligations of the Developer under this Agreement, may not be transferred or assigned in

whole or in part by the Developer to a Transferee without the prior consent of the City, which consent shall not be unreasonably withheld, conditioned or delayed, subject to the conditions set forth below in Section 7.7.1, below. Upon such assignment, the assignor shall be released from the obligations so assigned. Notwithstanding the foregoing, any assignment of this Agreement, in whole or in part, to (a) an affiliate of the Developer, (b) a purchaser of all or substantially all of the assets of the Developer, including the Property or a portion thereof, or (c) any person or entity that has a net worth or assets under management (whether through a separate account or other investment vehicle) in excess of Ninety Million Dollars (\$90,000,000), shall be permitted and not require the prior consent of the City. The Developer shall provide notice of any permitted assignment to the City within thirty (30) days of the assignment.

7.7.1 Conditions of Assignment. No such assignment shall be valid until and unless the following occur:

7.7.1.1 Written Notice of Assignment Required. The Developer, or any successor transferor, gives prior written notice to the City of its intention to assign or transfer any of its interests, rights or obligations under this Agreement and a complete disclosure of the identity of the Transferee, including a copy of the articles of incorporation in the case of corporations and the names of individual partners in the case of partnerships. Any failure by the Developer or any successor transferor to provide the notice shall be curable in accordance with the provisions in Section 5.1, above.

7.7.1.2 Automatic Assumption of Obligations. Unless otherwise stated elsewhere in this Agreement to the contrary, the Transferee expressly assumes all of the rights and obligations of this Agreement transferred or assigned by the Developer and which are expressly set forth in the applicable Assignment Agreement.

7.7.2 Liability Upon Assignment. Each Transferee of any portion of the Property shall be solely and only liable for performance of such Transferee's obligations applicable to its portion of the Property and the Project under this Agreement as specified in the applicable Assignment Agreement. Upon the assignment or transfer of any portion of the Property and the Project, together with the assignment of the Developer's rights and obligations under this Agreement relating thereto, pursuant to an Assignment Agreement, the Transferee shall become solely and only liable for the performance of those assigned or transferred obligations so assumed and shall have the rights of the "Developer" under this Agreement with respect thereto, which such rights and obligations shall be set forth specifically in the Assignment Agreement, executed by the transferring Developer and the Transferee as of the date of such transfer, assignment or conveyance of the applicable portion of the Property and the Project. The failure of a Transferee of any portion of the Property and the Project to perform such Developer's obligations set forth in the applicable Assignment Agreement may result, at the City's option, in a declaration that this Agreement has been breached and the City may, but shall not be obligated to, exercise its rights and remedies under this Agreement solely as it relates to the defaulting Transferee's portion of the Property and the Project as provided for in Section 5.1, above, subject to such defaulting Transferee's right to notice and opportunity to cure the default in accordance with provisions of Section 5.1, above. Any

partial termination of this Agreement as it relates to that Transferee's holding is severable from the entire Agreement, and shall not affect the remaining entirety of this Agreement.

7.7.3 Release of Property Owner. With respect to a transfer and assignment of the Developer's interest in the Property and the related rights and obligations hereunder to a Transferee, upon the effective date of any such transfer and assignment, as evidenced by the execution of an Assignment Agreement pursuant to this Section 7.7 and delivery of a copy of such Assignment Agreement to the City, the Developer shall automatically be released from any further obligations to the City under this Agreement with respect to the Property so transferred.

7.7.4 Release of Property Transferee. A Transferee shall not be liable for any obligations to the City under this Agreement relating to any portion of the Property other than that portion transferred to such Transferee, and no default by a Developer under this Agreement with respect to such other portions of the Property shall be deemed a default by such Transferee with respect to the portion of the Property transferred to such Transferee.

7.8 Covenants. The provisions of this Agreement shall constitute covenants which shall run with the land comprising the Property for the benefit thereof, and the burdens and benefits hereof shall bind and inure to the benefit of the Parties and all successors and assigns of the Parties, including any Transferee of the Developer.

7.9 Cooperation and Implementation.

7.9.1 Processing. Upon satisfactory completion by the Developer of all required preliminary actions and payment of appropriate Processing Fees, including the fee for processing this Agreement, the Planning Department shall commence and process all required steps necessary for the implementation of this Agreement and development of the Property in accordance with State law and the terms of this Agreement. The Developer shall, in a timely manner, provide the Planning Department with all documents, plans, fees and other information necessary for the Planning Department to carry out its processing obligations pursuant to this Agreement.

7.9.2 Cooperation in the Event of Legal Challenge. In the event of any legal action instituted by a third party or other governmental entity or official challenging the validity of any provision of this Agreement, the Parties hereby agree to affirmatively cooperate in defending such action, including without limitation cooperation in seeking specific performance, declaratory relief or injunctive relief, to set court dates at the earliest practicable date(s) and to minimize delay in the prosecution/defense of such action, provided such cooperation shall not require any Party to waive any rights.

7.9.3 Relationship of the Parties. It is understood and agreed by the Parties that the contractual relationship created between the Parties hereunder is that the Developer is an independent contractor and not an agent of the City. Further, the City and the Developer hereby renounce the existence of any form of agency, joint venture or partnership between them and agree that nothing herein or in any document executed in

connection herewith shall be construed as making the City and the Developer agents of one another or as joint venturers or partners.

7.9.4 Operating Memoranda. The provisions of this Agreement require a close degree of cooperation between the City and the Developer. During the Term of this Agreement, clarifications to this Agreement and the Applicable Rules may be appropriate with respect to the details of performance of the City and the Developer. If and when, from time to time, during the terms of this Agreement, the City and the Developer agree that such clarifications are necessary or appropriate, they shall effectuate such clarification through operating memoranda approved in writing by the City and the Developer, which, after execution, shall be attached hereto and become part of this Agreement and the same may be further clarified from time to time as necessary with future written approval by the City and the Developer. Operating memoranda are not intended to and cannot constitute an amendment to this Agreement or allow a subsequent Discretionary Action to the Project, but are mere ministerial clarifications, therefore public notices and hearings shall not be required. The City Attorney shall be authorized, upon consultation with, and approval of, the Developer, to determine whether a requested clarification may be effectuated pursuant to this Section 7.9.5 or whether the requested clarification is of such character to constitute an amendment hereof which requires compliance with the provisions of Section 7.6, above. The authority to enter into such operating memoranda is hereby delegated to the Planning Director (or his or her designee), who is hereby authorized to execute any operating memoranda hereunder without further City action.

7.9.5 Certificate of Performance. Upon the substantial completion of each tower that comprises the Project, or upon the Developer's performance of this Agreement or its earlier revocation and termination, the City shall provide the Developer, upon the Developer's request, with a statement ("Certificate of Performance") evidencing such completion or revocation and the release of the Developer from further obligations hereunder, except for any ongoing obligations hereunder. The Certificate of Performance shall be signed by the appropriate agents of the Developer and the City and shall be recorded in the official records of Los Angeles County, California. Such Certificate of Performance is not a notice of completion as referred to in California Civil Code Section 8182.

7.10 Indemnification and Reimbursement of Litigation Costs. The Developer shall do all of the following:

7.10.1 Obligation to Defend, Indemnify, and Hold Harmless. The Developer hereby agrees to defend, indemnify, and hold harmless the City and its agents, officers, and employees, from any claim, action, or proceeding ("Proceeding") against the City or its agents, officers, or employees (a) to set aside, void, or annul, all or any part of this Agreement or any Project Approval, or (b) for any damages, personal injury or death that may arise, directly or indirectly, from the Developer or the Developer's contractors, subcontractors, agents or employees operations in connection with the construction of the Project, whether operations be by the Developer or any of the Developer's contractors, subcontractors, by anyone or more persons directly or indirectly employed by, or acting as

agent for the Developer or any of the Developer's contractors or subcontractors. In the event that the City, upon being served with a lawsuit or other legal process to set aside, void or annul all or part of any Project Approval, fails to promptly notify the Developer in writing of the Proceeding, or fails to cooperate fully in the defense of the Proceeding, the Developer shall thereafter be relieved of the obligations imposed in this Section 7.10. However, if the Developer has actual written notice of the Proceeding, it shall not be relieved of the obligations imposed hereunder, notwithstanding the failure of the City to provide prompt written notice of the Proceeding. The City shall be considered to have failed to give prompt written notification of a Proceeding if the City, after being served with a lawsuit or other legal process challenging the Approvals, unreasonably delays in providing written notice thereof to the Developer. As used herein, "unreasonably delay" shall mean any delay that materially adversely impacts Developer's ability to defend the Proceeding. The obligations imposed in this Section 7.10 shall apply notwithstanding any allegation or determination in the Proceedings that the City acted contrary to applicable laws. Nothing in this Section shall be construed to mean that the Developer shall hold the City harmless and/or defend it from any claims arising from, or alleged to arise from, its intentional misconduct or gross negligence in the performance of this Agreement.

7.10.2 Defending the Project Approvals. The Developer shall have the right, but not the obligation, to timely retain legal counsel to defend against any proceeding to set aside, void, or annul, all or any part of any Project Approval, including without limitation a lawsuit to challenge a Project Approval or this Agreement based on an alleged violation of CEQA. The City shall have the right, if it so chooses, to defend the Proceeding utilizing in-house legal staff, or to retain outside legal counsel. Whether the City utilizes in-house legal staff, or outside legal counsel, the Developer shall be liable for all legal costs, fees and expenses reasonably incurred by the City in defending a challenge to the Project Approvals. Provided that the Developer is not in breach of the terms of this Section, the City shall not enter into any settlement of the Proceeding that involves the modification of any Project Approval or otherwise results in the Developer incurring liabilities or other obligations, without the consent of the Developer.

7.10.3 Breach of Obligations. Actions constituting a breach of the obligations imposed in this Section 7.10 shall include, but not be limited to: (a) the failure to promptly pay the City for any attorneys' fees or other legal costs for which the City is liable pursuant to a judgment or settlement agreement in the Proceeding seeking to set aside, void or annul all or part of any Project Approval; or (b) the breach of any other obligation imposed in this Section 7.10, in each case after written notice from the City and a reasonable period of time in which to cure the breach, not to exceed thirty-days. In the event that the Developer breaches the obligations imposed in this Section 7.10, the City shall have no obligation to defend against the Proceedings, and by not defending against the Proceedings, the City shall not be considered to have waived any rights in this Section 7.10.

7.10.4 Waiver of Right to Challenge. The Developer hereby waives the right to challenge the validity of the obligations imposed in this Section 7.10.

7.10.5 Survival. The obligations imposed in this Section 7.10 shall survive any judicial decision invalidating the Project Approvals.

7.11 Notices. Any notice or communication required hereunder between the City or the Developer must be in writing, and shall be given either personally or by registered or certified mail, return receipt requested. If given by registered or certified mail, the same shall be deemed to have been given and received on the first to occur of (a) actual receipt by any of the addressees designated below as the party to whom notices are to be sent, or (b) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If personally delivered, a notice shall be deemed to have been given when delivered to the party to whom it is addressed. Any Party may at any time, by giving ten (10) days' written notice to the other Party, designate any other address in substitution of the address, or any additional address, to which such notice or communication shall be given. Such notices or communications shall be given to the parties at their addresses set forth below:

If to the City:

City of Los Angeles
Attention: Director of Planning
200 North Spring Street
Los Angeles, CA 90012

with copies to:

Los Angeles City Attorney's Office
Real Property/Environment Division
7th Floor, City Hall East
200 North Main Street
Los Angeles, CA 90012

If to the Developer:

Lightstone DTLA LLC
c/o The Lightstone Group
460 Park Avenue
New York, NY 10022
Attention: Mitchell C. Hochberg,
President

with a copy to:

Sheppard, Mullin, Richter & Hampton LLP
333 S. Hope Street, 43rd Floor
Los Angeles, CA 90071-1422
Attention: Jack H. Rubens, Esq.

and

Lightstone DTLA LLC
c/o The Lightstone Group
1985 Cedar Bridge Avenue
Lakewood, NJ 08701
Attention: Joseph E. Teichman,
Executive Vice President and
General Counsel

7.12 Recordation. As provided in Government Code Section 65868.5, this Agreement shall be recorded with the Register-Recorder of the County of Los Angeles within ten (10) days following its execution by all Parties. The Developer shall provide the City Clerk with the fees for such recording prior to or at the time of such recording should the City Clerk effectuate recordation.

7.13 Constructive Notice and Acceptance. Every person who now or hereafter owns or acquires any right, title, interest in or to any portion of the Property, is and shall be conclusively deemed to have consented and agreed to every provision contained herein, whether or not any reference to this Agreement is contained in the instrument by which such person acquired an interest in the Property.

7.14 Successors and Assignees. The provisions of this Agreement shall be binding upon and shall inure to the benefit of the Parties, any subsequent owner of all or any portion of the Property and their respective Transferees, successors and assignees.

7.15 Severability. If any provisions, conditions, or covenants of this Agreement, or the application thereof to any circumstances of either Party, shall be held invalid or unenforceable, the remainder of this Agreement or the application of such provision, condition, or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

7.16 Time of the Essence. Time is of the essence for each provision of this Agreement of which time is an element.

7.17 Waiver. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the Party against whom enforcement of a waiver is sought and refers expressly to this Section. No waiver of any right or remedy with respect to any occurrence or event shall be deemed a waiver of any right or remedy with respect to any other occurrence or event.

7.18 No Third Party Beneficiaries. The only Parties to this Agreement are the City and the Developer and their successors-in-interest. There are no third party beneficiaries and this Agreement is not intended, and shall not be construed to benefit or be enforceable by any other person whatsoever.

7.19 Entire Agreement. This Agreement sets forth and contains the entire understanding and agreement of the Parties and there are no oral or written representations, understandings or ancillary covenants, undertakings or agreements which are not contained or expressly referred to herein and no testimony or evidence of any such representations, understandings, or covenants shall be admissible in any proceedings of any kind or nature to interpret or determine the provisions or conditions of this Agreement.

7.20 Legal Advice; Neutral Interpretation; Headings, Table of Contents, and Index. Each Party acknowledges that it has received independent legal advice from its attorneys with respect to the advisability of executing this Agreement and the meaning of the provisions hereof. The provisions of this Agreement shall be construed as to their fair meaning, and not for or against any Party based upon any attribution to such Party as the source of the language in question. The headings, table of contents, and index used in this Agreement are for the convenience of reference only and shall not be used in construing this Agreement.

7.21 Estoppel Certificate. The City shall, at any time and within sixty (60) days following the written request of the Developer, certify in writing to the Developer and any applicable and prospective Transferee that (a) this Agreement is in full force and effect and a

binding obligations of the parties hereto, (b) this Agreement has not been amended or modified or, if so amended or modified, identifying the amendments and modifications, and (c) the Developer is not in default in the performance of its obligations under this Agreement or, if in default, to describe therein the nature and extent of any such default. Any such estoppel certificate shall be administratively issued by the Planning Director or his/her representative or designee.

7.22 Duplicate Originals. This Agreement is executed in duplicate originals, each of which is deemed to be an original, but all of which together shall constitute one instrument. This Agreement, not counting the Cover Page, Table of Contents, Index, or signature page, consists of _____ pages and one (1) Exhibit, which constitute the entire understanding and agreement of the Parties with respect to the subject matter hereof.

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

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

APPROVED AS TO FORM:
City Attorney

By _____
Eric Garcetti, Mayor

By: _____
Laura Cadogan Hurd,

DATE:

Deputy City Attorney

DATE:

ATTEST:

By: _____

DATE:

LIGHTSTONE DTLA LLC,
a Delaware limited liability company

APPROVED AS TO FORM:

By _____

(Print Name and Title)

By _____
Jack H. Rubens for
SHEPPARD, MULLIN,
RICHTER & HAMPTON LLP,
Counsel for Developer

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

All that certain real property located in the City of Los Angeles, County of Los Angeles, State of California, more particularly described as follows:

PARCEL 1:

THOSE PORTIONS OF LOTS 9, 10 AND 11 OF CARSON AND CURRIER'S SUBDIVISION OF BLOCK 89 OF ORD'S SURVEY, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 55 PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHWESTERLY LINE OF SAID LOT 9, DISTANT SOUTHWESTERLY THEREON 29 FEET FROM THE NORTHWEST CORNER OF SAID LOT; THENCE SOUTH 37 DEGREES 45 MINUTES 30 SECONDS WEST ALONG THE NORTHWESTERLY LINES OF LOTS 9, 10 AND 11, 100.98 FEET, MORE OR LESS, TO THE MOST NORTHERLY CORNER OF THE LAND DESCRIBED AS PARCEL 1 IN THE DEED TO MAURICE E. LIPSON, ET AL., RECORDED DECEMBER 18, 1943 IN BOOK 20508 PAGE 259, OFFICIAL RECORDS OF SAID COUNTY; THENCE SOUTHEASTERLY ALONG THE NORTHEASTERLY LINE OF SAID LAND OF LIPSON AND ALONG THE NORTHEASTERLY LINE OF THE LAND DESCRIBED AS PARCEL 1 IN THE DEED TO HORTON AND CONVERSE, RECORDED SEPTEMBER 23, 1941 IN BOOK 18780 PAGE 93, OFFICIAL RECORDS OF SAID COUNTY, TO THE SOUTHEASTERLY LINE OF SAID LOT 11; THENCE NORTHEASTERLY ALONG THE SOUTHEASTERLY LINES OF SAID LOTS 11, 10 AND 9, 100.90 FEET, MORE OR LESS, TO A POINT IN THE SOUTHEASTERLY LINE OF SAID LOT 9, DISTANT SOUTHWESTERLY THEREON 29 FEET FROM THE NORTHEAST CORNER OF SAID LOT 9; THENCE NORTHWESTERLY IN A DIRECT LINE TO THE POINT OF BEGINNING.

PARCEL 2:

LOT 14 AND THE SOUTHERLY 25 FEET OF LOT 15 OF CARSON AND CURRIER'S SUBDIVISION OF BLOCK 89, ORD'S SURVEY, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, IN BOOK 55 PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT FROM SAID LOT 14 THE SOUTHWESTERLY 14 FEET, EXCEPTING THEREFROM THAT PORTION INCLUDED WITHIN THE SOUTHEASTERLY 5 FEET OF SAID LOT.

ALSO EXCEPT THAT PORTION OF SAID LOT 14, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHEASTERLY LINE OF SAID SOUTHWESTERLY 14 FEET OF SAID LOT WITH THE NORTHWESTERLY LINE OF THE SOUTHEASTERLY 5 FEET OF SAID LOT; THENCE NORTHEASTERLY ALONG SAID NORTHWESTERLY LINE 15 FEET; THENCE WESTERLY IN A DIRECT LINE TO A POINT IN SAID NORTHEASTERLY LINE DISTANT 15 FEET NORTHWESTERLY, MEASURED ALONG SAID NORTHEASTERLY LINE, FROM THE POINT OF BEGINNING; THENCE SOUTHEASTERLY ALONG SAID NORTHEASTERLY LINE 15 FEET TO THE POINT OF BEGINNING, AS GRANTED TO THE CITY OF LOS ANGELES IN DEED RECORDED NOVEMBER 15, 1968 AS INSTRUMENT NO. 527.

ALSO EXCEPTING THOSE PORTIONS LYING WITHIN PUBLIC STREETS.

ALSO EXCEPTING THEREFROM THAT PORTION OF SAID LOT 14 BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHWESTERLY LINE OF THE SOUTHEASTERLY 5 FEET OF SAID LOT WITH THE NORTHEASTERLY 20 FEET OF THE SOUTHWESTERLY 34 FEET OF SAID LOT; THENCE NORTH $61^{\circ} 23' 30''$ WEST ALONG SAID NORTHEASTERLY LINE A DISTANCE OF 20.26 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE TO THE SOUTH AND HAVING A RADIUS OF 35 FEET, A RADIAL LINE TO SAID BEGINNING OF CURVE BEARS NORTH $16^{\circ} 03' 26''$ WEST; THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF $40^{\circ} 12' 24''$ AN ARC DISTANCE OF 24.56 FEET TO A POINT IN SAID NORTHWESTERLY LINE DISTANT 10.13 FEET NORTHEASTERLY MEASURED ALONG SAID NORTHWESTERLY LINE FROM THE POINT OF BEGINNING; THENCE SOUTHWESTERLY ALONG SAID NORTHWESTERLY LINE TO THE POINT OF BEGINNING.

ALSO EXCEPT ALL MINERALS, GAS, OIL AND HYDROCARBON SUBSTANCES LYING IN AND UNDER SAID LAND AND THAT MAY BE PRODUCED FROM SAID LAND, AS TO ALL OF THAT PORTION OF SAID LAND LYING BELOW A DEPTH OF 500 FEET FROM THE SURFACE OF SAID LAND WITHOUT THE RIGHT OF SURFACE ENTRY AS RESERVED IN DEED RECORDED MAY 18, 1990 AS INSTRUMENT NO. 90-910940.

PARCEL 3:

THE NORTHEASTERLY 29 FEET OF LOT 9 OF CARSON AND CURRIER'S SUBDIVISION OF BLOCK 89 OF ORD'S SURVEY, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 55 PAGE 3 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 4:

THOSE PORTIONS OF LOTS 11, 12 AND 13 OF CARSON AND CURRIER'S SUBDIVISION OF BLOCK 89 OF ORD'S SURVEY, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 55, PAGE 3, MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF SAID LOT 13; THENCE NORTH 37 DEGREES 46 MINUTES 20 SECONDS EAST ALONG THE SOUTHEASTERLY LINE OF SAID LOTS A DISTANCE OF 123.23 FEET TO THE SOUTHEASTERLY PROLONGATION OF THE SOUTHERLY FACE OF THE SOUTH WALL OF A TWO-STORY BUILDING ON PROPERTY ADJOINING ON THE NORTH; THENCE NORTH 52 DEGREES 13 MINUTES 10 SECONDS WEST ALONG SAID SOUTHEASTERLY PROLONGATION AND ALONG SAID SOUTHERLY FACE AND ITS NORTHWESTERLY PROLONGATION TO THE NORTHWESTERLY LINE OF SAID LOT 11; THENCE SOUTH 37 DEGREES 45 MINUTES 10 SECONDS WEST ALONG THE NORTHWESTERLY LINES OF SAID LOTS A DISTANCE OF 148.30 FEET TO THE MOST WESTERLY CORNER OF SAID LOT 13; THENCE SOUTHEASTERLY ALONG THE SOUTHWESTERLY LINE OF SAID LOT 13 TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM, THAT PORTION OF SAID LOT 13 CONDEMNED FOR PUBLIC STREET PURPOSES, AND DESCRIBED AS PARCEL NO. 126AA (PUBLIC STREET IN FEE SIMPLE) IN THAT CERTAIN JUDGMENT AND FINAL ORDER OF CONDEMNATION, A CERTIFIED COPY OF WHICH WAS RECORDED MAY 29, 1969 AS INSTRUMENT NO. 3936.

ALSO EXCEPTING AND RESERVING THEREFROM ALL CRUDE OIL, PETROLEUM, GAS, ASPHALTUM AND ALL KINDRED SUBSTANCES AND OTHER MINERALS OF WHATEVER NATURE IN, UNDER AND RECOVERABLE FROM SAID LAND, WITHOUT THE RIGHT TO ENTER, DRILL OR PENETRATE IN OR UPON THE SURFACE OF SAID LAND OR WITHIN 500 FEET THEREOF, AS SET FORTH IN THAT CERTAIN JUDGMENT AND FINAL ORDER OF CONDEMNATION, A CERTIFIED COPY OF WHICH WAS RECORDED MAY 29, 1969 AS INSTRUMENT NO. 3936.

PARCEL 5:

THE NORTHEASTERLY 20 FEET OF THE SOUTHWESTERLY 34 FEET OF LOT 14, CARSON AND CURRIER'S SUBDIVISION OF BLOCK 89 OF ORD'S SURVEY, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 55, PAGE 3, MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY.

EXCEPTING THEREFROM THOSE PORTIONS WITHIN PUBLIC STREET.

ALSO, EXCEPTING THEREFROM THAT PORTION OF SAID LOT 14 BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHWESTERLY LINE OF THE SOUTHEASTERLY 5 FEET OF SAID LOT WITH THE NORTHEASTERLY 20 FEET OF THE SOUTHWESTERLY 34 FEET OF SAID LOT; THENCE NORTH $61^{\circ} 23' 30''$ WEST ALONG SAID NORTHEASTERLY LINE A DISTANCE OF 20.26 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE TO THE SOUTH AND HAVING A RADIUS OF 35 FEET, A RADIAL LINE TO SAID BEGINNING OF CURVE BEARS NORTH $16^{\circ} 03' 26''$ WEST; THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF $40^{\circ} 12' 24''$ AN ARC DISTANCE OF 24.56 FEET TO A POINT IN SAID NORTHWESTERLY LINE DISTANT 10.13 FEET NORTHEASTERLY MEASURED ALONG SAID NORTHWESTERLY LINE FROM THE POINT OF BEGINNING; THENCE SOUTHWESTERLY ALONG SAID NORTHWESTERLY LINE TO THE POINT OF BEGINNING.