

May 10, 2018

File Number: 45FX-212539

**BY EMAIL AND HAND DELIVERY**

Planning and Land Use  
Management Committee  
Los Angeles City Council  
City of Los Angeles  
200 N. Spring Street, Room 340  
Los Angeles, California 90012  
email: [clerk.plumcommittee@lacity.org](mailto:clerk.plumcommittee@lacity.org)

Re: Fig+Pico Conference Center Hotels Project – City Council File Nos. 18-0355  
and 18-0269 and City Case Nos. CPC-2016-2595-DA-CU-MCUP-CUX-SPR,  
CPC-2016-4219-GPA-ZC and CPC-2016-4220-SN

Honorable Councilmembers:

This firm represents Lightstone DTLA LLC ("Lightstone") in connection with the proposed Fig+Pico Conference Center Hotels development project (the "Project"). On March 29, 2018, the City Planning Commission (the "CPC") issued three determination letters for the Project with respect to Case Nos. CPC-2016-4219-GPA-ZC (the "GPA/ZC Determination"), CPC-2016-2595-DA-CU-MCUP-CUX-SPR (the "Multi-Approval Determination") and CPC-2016-4220-SN (the "SD Determination").

In the GPA/ZC Determination, the CPC recommended approval of the City Council-initiated General Plan Amendment and Zone Change. In the Multi-Approval Determination, the CPC approved several entitlements and recommended approval of a Development Agreement that was prepared by the Department of City Planning. In the SD Determination, the CPC approved in part and denied in part the City Council-initiated Sign District Ordinance (the "SD Ordinance") and recommended that the City Council approve the SD Ordinance. Lightstone generally appreciates the CPC's approval actions and recommendations of approval to the City Council.

On March 5, 2018, we submitted a letter to the CPC outlining Lightstone's concerns with several items in the Staff Report (the "March 5th Letter") prepared by the Department of City Planning before the CPC hearing. If desired, the Planning and Land Use Management Committee of the City Council ("PLUM Committee") can use the March 5<sup>th</sup> Letter as a reference document to provide context and justification for certain changes that Lightstone is requesting herein.

In brief, we respectfully request that the PLUM Committee approve the Project and its entitlements and ordinances consistent with modifications in this letter and attached exhibits.

## I. GPA/ZC Determination

Lightstone respectfully requests that the City Council adopt the CPC's recommendations regarding the GPA/ZC Determination, with two modifications of the "Q" Qualified Conditions of Approval, as follows:

1. Replace Qualified Condition of Approval A.1(a) on page Q-1 of the GPA/ZC Determination with the following condition:

**"Roof Design.** Project plans should comply with the Downtown Design Guide guideline in Section 6.D.10, which recommends articulation of the roofline, to the satisfaction of the Director of City Planning."

2. Replace Qualified Condition of Approval A.1(b) on page Q-1 of the GPA/ZC Determination with the following condition:

**"Blank Walls.** Any green wall at the ground-level shall include a wall system with trellises and a decorative metal green screen and, to the extent feasible, eliminate any blank walls on the ground-level. The trellises shall include live plantings and a maintenance plan of the green wall shall be submitted for review and approval by the Director of City Planning."

These revisions would produce final conditions that are consistent with the applicable guidelines of the Downtown Design Guide for roof design; and are aligned with the intent of the CPC's motion regarding green walls. We have conferred with the Department of City Planning regarding that position. In addition, these same conditions appear in the Site Plan Review portion of the Multi-Approval Determination. Any revisions to the Qualified Conditions of Approval in the GPA/ZC Determination made by the PLUM Committee should control (across all entitlements) to avoid confusion at the building permit and condition compliance stage of the process.

## II. Development Agreement in the Multi-Approval Determination

Lightstone also respectfully requests modifications to the recommended Development Agreement attached to the Multi-Approval Determination (the "CPC DA"). The proposed revisions are shown on the redlined document attached as Exhibit A-1 (the "Modified DA"). A clean version of the Modified DA is attached as Exhibit A-2. Many of the requested revisions clarify the public benefits that Lightstone has agreed to provide in connection with the Project. To ease review, a comparison of the public benefits in the Modified DA with the public benefits in the CPC DA is set forth in Exhibit A-3. The other minor revisions requested in the Modified DA are required to clean up the document in various ways. And, virtually all of the revisions that are unrelated to the public benefits have been included in prior development agreements approved by the City Attorney. Therefore, Lightstone requests that the PLUM Committee direct

the City Attorney to revise the Development Agreement to incorporate the revisions in the Modified DA.

### III. Figueroa and Pico Sign District in the SD Determination

Lightstone respectfully requests modifications to the SD Ordinance attached to the SD Determination. The proposed revisions are shown on the redlined document attached as Exhibit B-1 (the "Modified SD Ordinance"). A clean version of the Modified SD Ordinance is attached as Exhibit B-2. To ease review, a summary of certain requested modifications is set forth in Exhibit B-3. In addition, the redlined document identifies the totality of requested modifications, including but not limited to: (i) accurate district boundary and acreage; (ii) important defined terms; (iii) appropriate procedural requirements for permit issuance; (iv) applicable illumination standards and regulatory controls; (v) correct sign locations and sizes; (vi) permitted animation technologies; and (vii) sign program implementation requirements. Please note that the Modified SD Ordinance contains application and City review requirements that provide the Department of City Planning with review authority prior to the issuance of sign permits. This ensures that signs constructed in the sign district comply with sign plans attached to the Modified SD Ordinance.

The requested modifications advance the City's goal of creating a unique and recognizable district identity adjacent to the Los Angeles Convention Center, Los Angeles Sports and Entertainment District ("LASED"), and the Metro Pico Station. In addition, the requested modifications meet the Central City Community Plan objectives to encourage a mix of uses that create an active 24-hour downtown environment for residents and foster increased tourism. Moreover, the requested modifications create a consistent and cohesive sign program (based on sign scale, type, technologies, and operational allowances) with the sign regulations in the adjacent LASED. Without this consistency, the City risks creating an aesthetically awkward and uninviting visual experience for residents, tourists, and the eyes of the world as major conventions and the 2028 Olympic Games arrive in Los Angeles. Therefore, Lightstone respectfully requests that the PLUM Committee direct the City Attorney to prepare and present a revised and final draft of the SD Ordinance that incorporates the revisions in the Modified SD Ordinance.

In closing, we emphasize that the requested modifications discussed herein are critical to the successful and timely delivery of the Project. We appreciate your consideration of Lightstone's requested modifications.



Planning and Land Use Management Committee  
May 10, 2018  
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Very truly yours,

A handwritten signature in blue ink that reads "James E. Pugh".

James E. Pugh  
for SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

Enclosures  
SMRH:486094243.6

cc: Mr. Vince Bertoni (w/encls.) (BY EMAIL)  
Ms. Luciralia Ibarra (w/encls.) (BY EMAIL)  
Ms. Milena Zasadzien (w/encls.) (BY EMAIL)  
Ms. Sharon Dickinson (w/encls.) (BY EMAIL)

EXHIBIT A-1

REDLINE OF MODIFIED DA

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

SHEPPARD, MULLIN, RICHTER &  
HAMPTON LLP  
333 S. Hope Street, 43rd Floor  
Los Angeles, California 90071-1422  
Attn: Jack H. Rubens, Esq.

THIS SPACE ABOVE FOR RECORDER'S USE

## **DEVELOPMENT AGREEMENT**

**by and between**

**THE CITY OF LOS ANGELES**

**and**

**~~and~~ LIGHTSTONE DTLA, LLC**

**dated as of**

**, 2018**

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**DEVELOPMENT AGREEMENT**  
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<del>7.14</del> <u>7.14</u>	Successors and Assignees .....	<del>25</del> <u>28</u>
<del>7.15</del> <u>7.15</u>	Severability .....	<del>25</del> <u>28</u>
<del>7.16</del> <u>7.16</u>	Time of the Essence .....	<del>26</del> <u>28</u>
<del>7.17</del> <u>7.17</u>	Waiver .....	<del>26</del> <u>28</u>
<del>7.18</del> <u>7.18</u>	No Third Party Beneficiaries .....	<del>26</del> <u>28</u>

<del>7.19</del> <u>7.19</u>	Entire Agreement .....	<del>26</del> <u>28</u>
<del>7.20</del> <u>7.20</u>	Legal Advice; Neutral Interpretation; Headings, Table of Contents, and	
Index	<del>26</del> <u>28</u>	
<u>7.21</u>	<u>Estoppel Certificate</u> .....	<u>29</u>
<del>7.21</del> <u>7.22</u>	Duplicate Originals .....	<del>26</del> <u>29</u>

DEVELOPMENT AGREEMENT ~~DEVELOPMENT AGREEMENT~~

This Development Agreement ("Agreement") is executed ~~this day of as of~~ 2017~~2018~~, by and between the CITY OF LOS ANGELES, a municipal corporation (~~the "City"~~), and ~~Lightstone~~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 ~~further~~ development of the ~~subject property~~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~~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 ~~including, which include the~~ benefits and other consideration ~~as noted~~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~~ 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, ~~the Development, this~~ Agreement is in the public interest and is consistent with the City's General Plan, including the ~~Westlake~~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~~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:

## **1. DEFINITIONS**

### **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** ~~1.1~~ **"Agreement"** means this Development Agreement.

**1.2** ~~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 ~~of this Agreement governing the~~ 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** ~~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 ~~to a third party transferee~~.

**1.4** ~~1.4~~ **"CEQA"** means the California Environmental Quality Act (~~Cal.~~ 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** ~~1.5~~ **"City"** means the City of Los Angeles, a charter city and municipal corporation.

**1.7** ~~1.6~~ **"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** ~~1.7~~ **"City Attorney"** means the legal counsel for the City.

**1.9** ~~1.8~~ **"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** ~~1.9~~ **"Days"** means calendar days as opposed to working days.

**1.11** ~~1.10~~ **"Developer"** has the meaning as described in the opening paragraph of this Agreement.

**1.12** ~~1.11~~ **"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** ~~1.12~~ **"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.

**1.14** ~~1.13~~ **"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** ~~1.14~~ **"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** ~~1.15~~ **"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 ~~Los Angeles~~ 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.

~~1.16 "Mitigation Measures" means the mitigation measures described in the Mitigated Negative Declaration, ENV-2016-2594-EIR (the "EIR") prepared by the City in accordance with the requirements of CEQA.~~

1.25 ~~1.17~~ "Parties" means, collectively, the Developer and the City.

1.26 ~~1.18~~ "Party" means any one of the Developer or the City.

1.27 ~~1.19~~ "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 ~~1.20~~ "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 ~~1.21~~ "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~~ 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 ~~linkage fees or exactions which~~ 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. ~~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 ~~1.22~~ "Project" means the Coliseum Renovation Project" has the meaning in the recitals above.

1.33 ~~1.23~~ "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~~ Map; (2) ~~General Plan Amendment to redesignate 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 the project site~~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 for the project site~~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~~conditional use permit to allow a hotel within 500 feet of an R residential zone; (6) a ~~Conditional Use Permit to~~conditional use permit to allow floor area averaging in a mixed-use development in the C2 zone; (7) a ~~Master Conditional Use Permit~~master conditional use permit for on-site sales of a full line of alcohol; (8) a ~~Conditional Use Permit~~conditional use permit to allow live dancing and entertainment; and, (9) ~~Site Plan Review~~site plan review.

**1.34** ~~1.24~~ **"Property"** has the meaning in the recitals above and as fully described in the legal description attached hereto as Exhibit "A".

~~1.25 "Property Owner" has the meaning as described in the opening paragraph of the Agreement.~~

**1.35** ~~1.26~~ **"Reserved Powers"** means the rights and authority excepted from this ~~Agreement's~~Agreement's restrictions on the ~~City's~~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: (1a) 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); (2b) 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 (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 acts of God); (3c) 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~~3.7.1.3, below; or (4d) 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** ~~1.27~~ **"Term"** means the period of time for which this Agreement shall be effective in accordance with Section 7.2 ~~hereof~~, below.

**1.37** ~~1.28~~ **"Transferee"** ~~means a third party~~ 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** ~~1.29~~ **"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. ~~The Advisory Agency first certified the EIR and adopted the Findings, Statement of Overriding Considerations, and the Mitigation Monitoring Program before taking action on VTT-74239.~~

**ARTICLE 2**  
**Recitals of Premises, Purpose and Intent**

**~~2. RECITALS OF PREMISES, PURPOSE AND INTENT~~**

**2.1 ~~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~~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 ~~2.2~~ City Procedures and Actions.**

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

**2.2.2 ~~2.2.2~~ City ~~Planning Commission Consideration of Previously Certified EIR~~ Council Certification of FEIR.** The City ~~Planning Commission on March 8~~ Council, on \_\_\_\_\_, 2018, after conducting a duly-noticed public hearing, ~~found, based on their independent judgment, after consideration of the whole of~~certified the FEIR for the Project.

~~administrative record, the project was assessed in the Fig + Pico Conference Center Hotels EIR No. ENV-2016-2594 EIR and Errata, which was certified on February 9, 2018, and pursuant to CEA Guidelines, Sections 15162 and 15164, and no subsequent EIR or addendum is required for approval of the project.~~

**2.2.3 ~~2.2.3~~ City Council Action.** The City Council, on                     , 2018, after conducting a duly-noticed public hearing, adopted Ordinance No.                     , to become effective on the thirty-first day after its adoption, found that its provisions are consistent with the ~~City's~~ General Plan and the ~~Los Angeles~~ Municipal Code, and authorized the execution of this Agreement.

## **2.3 ~~2.3~~ Purpose of this Agreement.**

**2.3.1 ~~2.3.1~~ Public Benefits.** This Agreement provides assurances that the ~~Public Benefits~~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~~City's Reserved Powers. ~~The Project will provide Public Benefits to the City, including without limitation:~~

~~(a) Pedestrian Signal Crossing Improvements — DOT. Prior to the issuance of the Certification of Occupancy (C of O), the Developer shall: (1) coordinate with the Los Angeles Department of Transportation (DOT) to finalize design of the following improvements; and, (2) fund and construct said physical improvements at and/or within the intersection of Pico Boulevard and Flower Street, all as determined by DOT:~~

- ~~i. Pedestrian Lead Interval: *Estimated Value* \$10,000~~
- ~~ii. High Visibility Crosswalk: *Estimated Value* \$10,000~~

~~These values are estimations and the final amount of these physical improvements may be less than, or may exceed, the value identified above.~~

~~(b) Scramble Crosswalks — DOT. Prior to the issuance of the Certification of Occupancy (C of O), the Developer shall: (1) coordinate with the Los Angeles Department of Transportation (DOT) to finalize the design for the installation of Scramble Crosswalks; and, (2) fund and construct said these improvements at and/or within the following intersections: Figueroa Street and Pico Boulevard, Figueroa Street and 11<sup>th</sup> Street, Figueroa and 12<sup>th</sup> Street, and Figueroa Street and Olympic Boulevard, all as determined by DOT:~~

- ~~i. 4 Intersections: *Estimated Value* \$50,000 each (\$200,000 total)~~

~~These values are estimations and the final amount of these physical improvements may be less than, or may exceed, the value identified above.~~

~~If these improvements are found to be impractical or infeasible, all or a remainder of the funds shall be used towards the installation and purchase of new bus shelters within the project vicinity, in which case, the Developer shall: (1) coordinate with the City of Los Angeles Bureau of Street Services to identify the design and location of bus shelters and (2) fund the purchase and installation of bus shelters within the project vicinity, as recommended by the Bureau of Street Services.~~

~~(c) Mid-block Crosswalks — DOT. Prior to the issuance of the Certificate of Occupancy (C of O), the Developer shall: (1) coordinate with the Los Angeles Department of Transportation (DOT) to finalize the design for the installation of Mid-block Crosswalks; and, (2) fund and construct said these improvements within the following segments along Figueroa Street: Olympic Boulevard and 11<sup>th</sup> Street, and 12<sup>th</sup> Street and Pico Boulevard, all as determined by DOT:~~

~~i. *Estimated Value* \$150,000 each (\$300,000 total)~~

~~These values are estimations and the final amount of these physical improvements may be less than, or may exceed, the value identified above.~~

~~If these improvements are found to be impractical or infeasible, all or a remainder of the funds shall be used towards the installation and purchase of new bus shelters within the project vicinity, in which case, the Developer shall: (1) coordinate with the City of Los Angeles Bureau of Street Services to identify the design and location of bus shelters and (2) fund the purchase and installation of bus shelters within the project vicinity, as recommended by the Bureau of Street Services.~~

~~(d) Wayfinding Signage — Metro. Prior to the issuance of a Certificate of Occupancy for the project, the Developer shall: (1) coordinate 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 the signs along Figueroa Street, Pico Boulevard, and Flower Street, adjacent to the Project Site, as recommended by Metro.~~

~~i. *Estimated Value* \$9,000 each (\$27,000 total)~~

~~These values are estimations and the final amount of these physical improvements may be less than, or may exceed, the value identified above.~~

~~(e) Real Time Transfer Signage — Metro. Prior to the issuance of a Certificate of Occupancy for the project, the Developer shall: (1) coordinate with the Los Angeles County Metropolitan Transportation Authority (Metro) to identify the design and location of one (1) LCD color display sign; and, (2) fund the purchase and installation of the signs at the bus shelter on Pico Boulevard on Flower Street, as recommended by Metro.~~

~~i. *Estimated Value* \$30,000~~

~~These values are estimations and the final amount of these physical improvements may be less than, or may exceed, the value identified above.~~

~~(f) Bus Shelter Seating and Amenities — Metro. Prior to the issuance of a Certificate of Occupancy for the project, the Developer shall: (1) coordinate with the Los Angeles Bureau of Street Services to identify the design and location of one (1) bus shelter (“Pacific” Collection design, consistent with MyFigueroa bus shelters) on Flower Street at Pico Boulevard; and, (2) fund the purchase and installation of the bus shelter on Pico Boulevard on Flower Street, as recommended by the Bureau of Street Services.~~



*i. Estimated Value \$30,000*

~~These values are estimations and the final amount of these physical improvements may be less than, or may exceed, the value identified above.~~

~~(g) Signage. Upon issuance of the Certificate of Occupancy (C of O) or permit which allows the operation of the on site Digital Displays for the project, and subject to Annual Review thereafter in accordance with Section 4.1 of this agreement, the Developer shall make available for use by the Los Angeles Convention Center (LACC) and Metro, no less than three (3) minutes per hour, to LACC and Metro each, for each Digital Display during hours of signage operation at no cost to LACC and Metro. The time on the 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 the Refresh Rate). Upon issuance of the Certificate of Occupancy (C of O) or permit which allows each Supergraphic Sign for the project, and subject to Annual Review thereafter in accordance with Section 4.1 of this agreement, the Developer shall dedicate a minimum of 20% of each individual Supergraphic Sign, or the collective area representing 20% of the total area of Supergraphic Signs installed on the Project Site, for equal use by LACC and Metro. The Developer submit documentation in the form of agreements with LACC and Metro which detail the amount of time and the specific messaging advertised on the Digital Displays and Supergraphic Signs to demonstrate compliance with this obligation.~~

~~(h) 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 CD 14 — Public Benefits Trust Fund for the Term of the Development Agreement as defined in 7.2, in an amount of \$100,000 to support Council District 14's efforts to address blight removal, façade improvements, street cleaning, graffiti removal, etc. within the boundaries of Council District 14, for a total sum of \$1,000,000 over a ten year period. As part of the Annual Review of the Development Agreement, the Council Office shall provide the Director of Planning a summary of monies received and expenditures/improvements made related to these efforts. In the event that the Term is reduced or the Agreement terminated, the Developer shall pay the remainder of the \$1,000,000 due at the time the Agreement is reduced or terminated.~~

~~(i) Department of City Planning — Office of Historic Resources. Within 90 days of the effective date of the Development Agreement, the Developer shall make a payment of \$50,000 to the Department of City Planning's Office of Historic Resources (OHR) to fund a study of resources within the Central City and Central City North Community Plan areas.~~

**2.3.2 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 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 ~~and~~, Project Approvals and other Discretionary Actions and with the terms of this Agreement and subject to the City's 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 ~~and~~, the Project Approvals and other Discretionary Actions. This Agreement, therefore, is necessary to assure the Developer that the Project will not be (~~1a~~) reduced or otherwise modified in density, intensity or use from what is set

forth in the Project Approvals and other Discretionary Actions, ~~(2b)~~ subjected to new rules, regulations, ordinances or official policies or plans ~~which~~that are not adopted or approved pursuant to the ~~City's~~City's Reserved Powers or ~~(3c)~~ 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 ~~2.3.3~~ Mutual Objectives.** Development of the Project in accordance with this ~~Development~~ Agreement will provide for the orderly development of the Property in accordance with the objectives set forth in the General Plan. Moreover, ~~a development agreement for the Project~~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, as described in Section 2.3.1,~~public benefits to the City through the imposition of development standards and requirements under this Agreement, including without limitation: increased tax revenues, installation of ~~on-site and off-site~~onsite and offsite improvements, creation and retention of jobs, and the development of an aesthetically attractive Project. ~~Additionally, 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~~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 Discretionary Actions, and the Reserved Powers, subject to the terms and conditions of this Agreement.

**2.4 ~~2.4~~ Applicability of the Agreement.** This Agreement does not: ~~(4a)~~ grant height, density or intensity in excess of that otherwise established in the Applicable Rules and Project Approvals; ~~(2b)~~ 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; ~~(3c)~~ guarantee that the Developer will receive any profits from the Project; ~~(4d)~~ prohibit the ~~Project's~~Project's participation in any benefit assessment district that is generally applicable to surrounding properties; ~~(5e)~~ amend the ~~City's~~ General Plan, except as amended pursuant to the Project Approvals; or (6) amend the ~~City of Los Angeles~~City's Zoning Ordinance, except as amended pursuant to the Project Approvals. This Agreement has a fixed Term. Furthermore, in any subsequent ~~actions~~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 ~~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 ~~of this Agreement,~~ above, the Developer hereby agrees as follows:



**3.1.1** ~~**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, ~~including~~ the Applicable Rules ~~and~~ the Project Approvals ~~and other 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** ~~**3.1.2**~~ **Timing of Development.** The ~~parties~~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 ~~which~~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. ~~3d~~ 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'~~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, said 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 and the Developer shall provide reasonable proof of compliance.

(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 and the Developer shall provide reasonable proof of compliance.

(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 and approved by the Developer in its reasonable discretion.

- 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 and the Developer shall provide reasonable proof of compliance.

(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 and the Developer shall provide reasonable proof of compliance.

(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 ("Pacific Collection" design, consistent with MyFigueroa) on W. Pico Boulevard; and (2) construct, or fund the construction of, the bus shelter on W. Pico Boulevard.

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 and the Developer shall provide reasonable proof of compliance.

(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, a maximum time of two (2) minutes per hour for LACC and a maximum of two (2) minutes per hour for Metro.

(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. \_\_\_\_\_ 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.

(h) Homelessness Trust Fund – CD 14. The Developer shall contribute Fifty Thousand Dollars (\$50,000) to Council District 14 Public Benefits Trust Fund No. \_\_\_\_\_ to support the Council District's efforts to eliminate homelessness within the Council District boundaries and citywide. Such payment shall be made prior to the issuance of the first Certificate of Occupancy and the Developer shall provide reasonable proof of compliance

(i) Homelessness Improvement Projects. The Developer shall contribute One Hundred Thousand Dollars (\$100,000) to the Council District 14 Public Benefits Trust Fund No. \_\_\_\_\_ to fund tangible 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 reasonable proof of compliance.

(j) Onsite Sign Takedown Requirement. The Developer shall remove all existing signs located on the Property, including, without limitation, all tenant identification signs, the pole sign at the corner of W. Pico Boulevard and S. Flower Street, billboards, banner signs, wall signs and painted wall signs.

(k) OffSite Sign Takedown Requirement. ////The Developer shall, prior to the activation of the Project signage and in coordination with Council District 14, use good-faith efforts to identify and remove ten (10) signs within the boundaries of Council District 14 to diminish aesthetic blight in the Council District.////

**3.2 ~~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 of this Agreement,~~ above, the City hereby agrees as follows:

**3.2.1 ~~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 Discretionary Actions, and the Reserved Powers. ~~Developer's~~ 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 ~~in substantial conformance with the design as approved,~~ 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 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 Discretionary Actions, the Applicable Rules, and the Reserved Powers.

**3.2.2 ~~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 ~~3.2.3~~ Changes in Applicable Rules.**

**3.2.3.1 ~~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, or this Agreement, shall not be applied to the Property or the Project unless such changes represent an exercise of the ~~City's~~ 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 ~~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 ~~which 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 ~~Los Angeles~~ Municipal Code regarding the construction, engineering and design standards for both public and private improvements provided that these changes are ~~(4a)~~ necessary to the health and safety of the residents of the City, and ~~(2b)~~ 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 ~~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 ~~which that~~ are required by the Applicable Rules, the Reserved Powers and/or the Project Approvals. ~~Any~~ However, any subsequent Discretionary Action initiated by the Developer ~~which that~~ substantially changes the entitlements permitted uses or substantially increases the height, and density or floor area allowed under the Project Approvals, shall be subject to the rules, regulations, ordinances and official policies of the City then in effect. ~~A substantial change to the entitlements allowed under the Project Approvals that would require subsequent Discretionary Action(s) include: (a) a net increase in the amount of Project square footage, building heights and/or expansion of building footprints, and/or (b) a reduction in the number of automobile parking spaces identified in the Project Approvals (collectively referred to as "Substantial Project Changes"). The parties~~ The Parties agree that this Agreement does not modify, alter or change the ~~City's~~ City's obligations pursuant to CEQA and acknowledge that future

**3.2.4** 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 ~~Sections 21093 and 21094,~~ 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** ~~3.2.5-Administrative Changes and Modifications.~~ The ~~Project Developer~~ may demonstrate that refinements ~~and~~ changes, modifications and adjustments to the Project are appropriate with respect to the ~~details and~~ 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 ~~Parties find that “Substantially Conforming Changes,” as herein defined, are necessary or appropriate, they shall, unless otherwise required by law, City determines that a proposed refinement, change modification or adjustment to the Project is in substantial conformance with the Project Approvals, the Planning Department may~~ effectuate such refinements, changes ~~or~~, modifications and adjustments through administrative modifications approved by the Parties, and no public hearing shall be required. As used herein, ~~“Substantially Conforming Changes” are changes, modifications or adjustments that are~~ “substantial conformance” means substantially consistent with the Project Approvals, ~~and do not constitute Substantial Project Changes as defined in Section 3.2.4 of this Agreement.~~

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

**3.2.7** ~~3.2.7-Interim Use.~~ The City agrees that the Developer may use the Property during the term of this Agreement for any use ~~whichthat~~ is otherwise permitted by the applicable zoning regulations and the General Plan in effect at the time of ~~the~~such interim use ~~and for a use which does not require a new or additional~~ (subject to obtaining any Discretionary Action from the City, except as expressly provided in this Development Agreement, 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. ~~Developer shall seek the City’s approval of any interim use requiring Discretionary Action.~~

**3.2.8** ~~3.2.8-Moratoria or Interim Control Ordinances.~~ ~~In~~Notwithstanding 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 action of the City, by initiative, or otherwise, ~~whichthat~~ relates directly or indirectly to the Project or to the permitting, rate, amount, timing, sequencing, or phasing of the development ~~or~~, 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.

**3.2.9 ~~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~~Developer's control. Pursuant to ~~Government Code Sections 66452.6(a)(1) of the California Government Code~~, and other applicable provision of the ~~Subdivison~~Subdivision Map Act, the ~~City agrees that 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.** 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 ~~3.2.10~~ 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 ~~3.2.11~~ Timeframes**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 ~~timeframes~~time frames established in the Project Approvals. The City agrees to expedite all Ministerial Permits and Approvals and Discretionary Actions requested by the Developer ~~to the extent practicable, if any,~~ provided that the Developer agrees to pay any applicable fee for expedited review and processing time.

**3.2.14 ~~3.2.12~~ 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** ~~4.1~~ **Annual Review.** During the Term of this Agreement until such time as the first temporary certificate of occupancy or equivalent is issued with respect to the Project, the City shall review annually ~~Developer's good-faith~~ the good-faith compliance with this Agreement by Developer and/or any Transferee. This periodic review shall be limited in scope to ~~good-faith~~ good-faith compliance with the provisions of this Agreement as provided in the Development Agreement Act ~~and Property Owner~~, and the Developer and/or any Transferee shall have the burden of demonstrating such ~~good-faith~~ good-faith compliance relating solely to ~~such parties'~~ each Party's portion of the Property and any development located thereon. The Annual Review shall be in the form of an ~~Annual Report~~ 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 ~~to the~~ streetscape improvements, if any; and a summary of performance of ~~Property Owner's~~ the Developer's obligations.

**4.2** ~~4.2~~ **Pre-Determination Procedure.** ~~Submission~~ 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 For~~ informational purposes only, it is noted that the City will afford the public ~~has an opportunity to submit written~~ comments regarding compliance, such comments must be submitted to the Planning Director at least ~~thirty~~ sixty (3060) 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~~ the public, if requested.

**4.2.1** ~~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** ~~4.3~~ **Planning Director's/Director's Determination.** On or before the yearly anniversary of the Effective Date of ~~the~~ 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 ~~or and/or any~~ Transferee in the manner prescribed in Section 7.11, below.

**4.4** ~~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~~ twenty-five (25) days ~~from following~~ the Planning ~~Director's~~ Director's decision. After a public hearing on the appeal, the Planning Commission shall, within ~~twenty-five~~ twenty-five (25) days ~~shall~~ 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 ~~4.5~~ Period to Cure Non-Compliance.** If, as a result of this ~~Annual Review~~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 ~~4.4~~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 ~~which~~and/or Transferee that have not been performed. Upon receipt of the notice of ~~non-compliance, 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, ~~by mutual consent of the City and Developer~~ provided that the Developer shall continuously and diligently pursue the remedy at all times until ~~the~~such item of non-compliance is cured.

**4.6 ~~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 ~~(i)a~~ the Developer, ~~or its~~ and/or a Transferee has not cured a default pursuant to this Section; and ~~(ii)b~~ that 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~~hereof, 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 ~~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 ~~noncompliance~~non-compliance by the City Council or, where no appeal is taken, after the expiration of the appeal ~~periods~~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** ~~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** ~~4.9-City's~~City's Rights and Remedies Against Developer. The ~~City's~~City's rights ~~in under this~~ Section 4 of this Agreement relating to Developer's compliance with this Agreement by ~~Developer~~ shall be limited to ~~only those rights and~~Developer's obligations ~~assumed by Developer~~ under this Agreement and ~~as any~~ expressly ~~set forth in the applicable~~retained obligations pursuant to an Assignment Agreement authorized by Section ~~7.7 of this Agreement, below.~~

## **ARTICLE 5** **DEFAULT PROVISIONS**

### **5.1** ~~5.1-Default by Developer.~~

**5.1.1** ~~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 of this Agreement, 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~~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 ~~as in the manner~~ provided in Section 7.11 hereof, 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~~non-defaulting Developer or ~~a~~ Transferee with respect to such non-defaulting ~~parties'~~party's obligations hereunder nor affect such non-defaulting ~~parties'~~party's rights hereunder, or respective portion of the Property.

**5.1.2** ~~5.1.2-Notice of Default.~~ The City, through the Planning Director, shall submit to the Developer or a Transferee, as applicable, ~~by registered or certified mail, return receipt requested,~~ 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 of this Agreement, below.~~

**5.1.3** ~~5.1.3-Failure to Cure Default Procedures.~~ If, after the cure period has elapsed ~~(Section 4.5),~~ the Planning Director finds and reasonably determines that the Developer, or ~~its Transferees, successors, and/or assignees~~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 ~~its Transferees, successors, and/or assigns,~~ 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 ~~and its Transferees, successors, and/or assigns~~ 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 ~~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~~ 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~~ 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 ~~5.2~~ Default by the City.**

**5.2.1 ~~5.2.1~~ Default.** In the event the City defaults under the provisions of this Agreement, the Developer and Transferee ~~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~~ 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 ~~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 ~~of this Agreement,~~ below.

**5.3 ~~5.3~~ No Monetary Damages.** It is acknowledged by the Parties that neither the City nor the Developer would ~~not~~ 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 ~~which 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 ~~the Parties~~neither Party nor any Transferee shall ~~not~~ 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** ~~6.1~~ **Encumbrances on the Property.** The Parties ~~hereto~~ 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 ~~parts~~portions thereof. The ~~Planning Department~~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 including in this Agreement by suitable amendment from time to time 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. 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** ~~6.2~~ **Mortgagee 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~~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 ~~except,~~ provided that any such Mortgagee, including its affiliate, ~~who~~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** ~~6.3~~ **Mortgagee Not Obligated.** Notwithstanding any provision to the ~~provisions of contrary in~~ this ~~Section~~ Article 6, ~~no~~ Mortgagee ~~will not~~ shall have any obligation or duty pursuant to ~~the terms set forth in~~ this Agreement to perform the obligations of the Developer or other affirmative covenants of the Developer hereunder, or to guarantee such performance, except that ~~the~~ Mortgagee and ~~its~~ 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 ~~Developer's~~ 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** ~~6.4~~ **Request for Notice to Mortgage.** ~~The Mortgagee of any Mortgage or deed of trust encumbering the Property, or any part or interest thereof, who~~ 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 ~~by~~ given to the Developer ~~in~~ with respect to the performance of ~~Developer's~~ the Developer's obligations under this Agreement.

**6.5** ~~6.5~~ **Mortgagee's Mortgage'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 ~~that~~ such notice to ~~the~~ Mortgagee within ten

(10) days of sending ~~the~~ such notice ~~of non-compliance to~~ to the Developer. ~~The~~ Mortgagee shall have the right, but not the obligation, to cure the non-compliance for a period of sixty (60) days after ~~the~~ 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, ~~by mutual consent of the City and the Mortgagee~~ 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** ~~6.6~~ **Disaffirmation.** If this Agreement is terminated as to any portion of the Property by reason of ~~(i)~~ a any default or ~~(ii)~~ b as a result of a bankruptcy proceeding, ~~or if~~ 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 thirty (30) 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** ~~7.1 Effective Date. This 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 ~~Property Owner~~ Developer and the Mayor of the City of Los Angeles (the "Effective Date").

**7.2** ~~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 ~~said the~~ Term is otherwise terminated, modified or extended by circumstances set forth in this Agreement or by mutual consent in writing of the Parties ~~hereto~~. Following the expiration of ~~this 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 ~~on the Property~~, approved concurrently with, or subsequent to, the Effective Date ~~of this Agreement~~. The Term of this Agreement shall automatically be extended for the period of time of any actual delay resulting from ~~any enactments pursuant to the~~ (a) the City's exercise of its Reserved Powers or enactment of moratoria, (b) or from legal actions or appeals ~~which that~~ enjoin performance under this Agreement or act to stay performance under this Agreement (other than bankruptcy or similar procedures), or ~~from~~ (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** ~~7.3 Appeals~~ Appeal to City Council. Where an appeal by the Developer or ~~its Transferees~~ 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 its successors, transferees, and/or assignees~~ 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 ~~its Transferees~~ 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 ~~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 ~~hereto~~ 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~~ 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~~ City's Reserved Powers; or similar bases for excused performance ~~which~~ that are not within the reasonable control of the ~~party~~ 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 ~~7.5~~ Dispute Resolution.**

**7.5.1 ~~7.5.1~~ Dispute Resolution Proceedings.** The ~~parties~~ 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; ~~or~~ (b) arbitration as provided below; or (c) any other manner of dispute resolution which is mutually agreed upon by the parties.

**7.5.2 ~~7.5.2~~ Arbitration.** Any dispute between the ~~parties that is to be resolved~~ 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~~ Parties.

**7.5.2.1 ~~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~~ 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 ~~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~~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 ~~7.5.4~~Legal Action.** ~~Either~~ 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 ~~hereto~~. Notwithstanding the above, the ~~City's~~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~~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 ~~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 to this Agreement~~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, ~~and any Transferee of the Property or any portion thereof~~. Any amendment to this Agreement ~~which~~that relates to the Term, permitted uses, ~~substantial increase in the density or intensity of use, and is not considered a Substantially Conforming Change (as defined in Section~~

7.6 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, 3.2.5 of this Agreement), shall require notice and public hearing before the ~~parties~~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 ~~Developer initiated~~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 ~~or a Transferee or Mortgagee~~, including the cost of any public hearings.



**7.7 ~~7.7~~ Assignment.** The Developer shall have the right to sell, assign or transfer fee, leasehold, or other interests in the Property, ~~as well as the~~ 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 ~~sole~~prior consent of the City, which consent shall not be unreasonably withheld, conditioned or delayed, subject to the conditions set forth below in ~~Sections 7.7.1.1 and 7.7.1.2~~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 ~~7.7.1~~ Conditions of Assignment.** No such assignment shall be valid until and unless the following occur:

**7.7.1.1 ~~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 ~~assignee or~~ Transferee, including ~~copies a~~ copy of the ~~Articles~~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 ~~7.7.1.2~~ Automatic Assumption of Obligations.** Unless otherwise stated elsewhere in this Agreement to the contrary, a~~the~~ Transferee ~~of Property or any portion thereof expressly and unconditionally~~ assumes all of the rights and obligations of this Agreement transferred or assigned by ~~Property Owner~~the Developer and which are expressly set forth in the applicable Assignment Agreement.

**7.7.2 ~~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~~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 ~~any the assignment of the Developer's rights and~~ obligations ~~assignable~~ 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 ~~a "the "Developer"~~ "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~~Developer's obligations set forth in the applicable Assignment Agreement may result, at the ~~City's~~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~~Transferee's portion of the Property and the Project as provided for in Section 5.1 hereof, above, subject to such

defaulting ~~Transferee's~~Transferee's right to notice and opportunity to cure the default in accordance with provisions of Section 5.1 ~~hereof~~, above. Any partial termination of this Agreement as it relates to that ~~Transferee's~~Transferee's holding is severable from the entire Agreement, and shall not affect the remaining entirety of ~~the~~this Agreement.

**7.7.3 ~~7.7.3~~ Release of Property Owner.** With respect to a transfer and assignment of the ~~Developer's~~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 ~~7.7.3 between Developer and the Transferee~~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 ~~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 ~~7.8~~ Covenants.** The provisions of this Agreement shall constitute covenants which shall run with the land comprising the Property for the benefit thereof, ~~subject to any Assignment Agreement (if applicable)~~ and the burdens and benefits hereof shall bind and inure to the benefit of the Parties ~~hereto~~ and all successors and assigns of the Parties, including any Transferee of the Developer.

**7.9 ~~7.9~~ Cooperation and Implementation.**

**7.9.1 ~~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. Other Governmental Permits.** Developer shall apply in a timely manner for such other permits and approvals as may be required from other governmental or quasi-governmental agencies having jurisdiction over the Project as may be required for the development of, or provision of services to the Project. The City shall cooperate with Developer in its endeavors to obtain such permits and approvals. Any fees, assessments, or other amounts payable by the City thereunder shall be borne by Developer or Transferee, as the case may be, except where Developer or Transferee, as the case may be, has notified the City in writing, prior to the City entering into an agreement, that it does not desire for the City to execute an agreement.~~

**7.9.2 ~~7.9.3~~ 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 said action. ~~Developer and the City agree to cooperate in any legal action~~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 ~~not to cause~~ to minimize delay in the prosecution/defense of ~~the~~ such action, provided such cooperation shall not require any Party to waive any rights.

**7.9.3 ~~7.9.4~~-Relationship of the Parties.** It is understood and agreed by the ~~parties hereto~~ Parties that the contractual relationship created between the ~~parties~~ 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 ~~7.9.5~~-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 ~~City~~-Planning Director (or his or her designee), who is hereby authorized to execute any operating memoranda hereunder without further City action.

**7.9.5 ~~7.9.6~~-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 ~~said~~ 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 ~~7.10~~-Indemnification.**

**7.10.1 ~~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 (it) to set aside, void, or annul, all or any part of ~~the~~

~~Development~~this Agreement or any Project Approval; or ~~(ii)~~ for any damages, personal injury or death ~~which~~that may arise, directly or indirectly, from ~~such~~the Developer or ~~such Developer's~~the Developer's contractors, subcontractors<sup>2</sup>, agents<sup>2</sup>, or employees<sup>2</sup> operations in connection with the construction of the Project, whether operations be by ~~such~~the Developer or any of ~~such Developer's~~the Developer's contractors, subcontractors, by anyone or more persons directly or indirectly employed by, or acting as agent for ~~such~~the Developer or any of ~~such Developer's~~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 delays"~~"delay" shall mean any delay that materially adversely impacts ~~Developer's~~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 7.10 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 ~~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 ~~the approval of the~~ Project Approval or this Agreement ~~in~~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, ~~in which case the Developer shall be liable for all reasonable legal costs and fees reasonably incurred by the City, including charges for staff time charged. In the event of a conflict of interest which prevents the Developer's legal counsel from representing the City, and in the event the City does not have the in-house legal resources to defend against the Proceeding, the City shall also have the right or~~ to retain outside legal counsel ~~provided that retaining. Whether the City utilizes in-house legal staff, or~~ outside legal counsel ~~causes no delays, in which case,~~ the Developer shall be liable for all legal costs ~~and,~~ 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 7.10.2, the City shall not enter into any settlement of the Proceeding ~~which~~that involves the modification ~~to~~of any Project Approval or otherwise results in the Developer incurring liabilities or other obligations, without the consent of the Developer.

**7.10.3 ~~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: ~~(i) the failure to timely retain qualified legal counsel to defend against the Proceedings;~~ ~~(ii)~~ (ii) the failure to promptly pay the City for any attorneys<sup>2</sup> 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 ~~(iii)~~ (iii) 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. For purposes of this Section 7.10, Developer shall be considered to have failed to timely retain qualified legal counsel if such counsel is not retained within thirty (30) days following the City's provision of the notice of Proceedings to Developer required hereunder~~thirty (30) 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 ~~7.10.4~~ Cooperation.** The City shall cooperate with the Developer in the defense of the Proceeding; ~~provided, however, that such obligation of the City to cooperate in its defense shall not require the City to~~ (i)a assert a position in its defense of the Proceeding which it has determined, in its sole discretion, has no substantial merit; ~~(ii)b~~ (ii)b advocate in its defense of the Proceeding legal theories which it has determined, in its sole discretion, lack substantial merit; ~~or (iii)c~~ (iii)c advocate in its defense of the Proceeding legal theories which it has determined, in its sole discretion, are contrary to its best interests, or to public policy. Nothing contained in this Section 7.10 shall require the Developer to refrain from asserting in its defense of the Proceeding positions or legal theories that do not satisfy the foregoing requirements.

**7.10.5 ~~7.10.5~~ Contractual Obligation.** The Developer acknowledges and agrees that the obligations imposed in this Section 7.10 are contractual in nature, and that the breach (beyond any applicable notice and cure period) of any such obligation may subject the Developer to a breach of contract claim by the City.

**7.10.6 ~~7.10.6~~ Waiver of Right to Challenge.** The Developer hereby waives the right to challenge the validity of the obligations imposed in this Section 7.10.

**7.10.7 ~~7.10.7~~ Survival.** The obligations imposed in this Section 7.10 shall survive any judicial decision invalidating the Project Approvals.

~~**7.10.8 Preparation of Administrative Record.** Developer and the City acknowledge that upon the commencement of legal Proceedings, the administrative record of proceedings relating to the Project Approvals must be prepared. Those documents must also be certified as complete and accurate by the City. Developer, as part of its defense obligation imposed in this Section 7.10, shall prepare at its sole cost and expense the record of proceedings in a manner which complies with all applicable laws; in accordance with reasonable procedures established by the City; and subject to the City's obligation to certify the administrative record of proceedings and the City's right to oversee the preparation of such administrative record. Developer agrees that its failure to prepare the administrative record as set forth herein, and in compliance with all time deadlines imposed by law, shall constitute a breach of its obligation to defend the City. In the event that Developer fails to prepare the administrative record, the City may do so, in which event the City shall be entitled to be reimbursed by Developer for all reasonable costs associated with preparation of the administrative record, including reasonable charges for staff time.~~

~~**7.10.9. Deposit.** Following the filing of a lawsuit, or other legal process seeking to set aside, void or annul all or part of this Development Agreement and/or any Project Approval, Developer shall be required, following written demand by the City, to place funds on deposit with the City, which funds shall be used to reimburse the City for expenses incurred in connection with defending the Project Approvals. For Project Approvals which included the~~



~~assessment of an environmental impact report by the City, the amount of said deposit shall be ten thousand (\$10,000) dollars. For all other Project Approvals, the amount of the deposit shall be five thousand (\$5,000) dollars. The City, at its sole discretion, may require a larger deposit upon a detailed showing to the Developer of the basis for its determination that the above stated amounts are insufficient. Any unused portions of the deposit shall be refunded to Developer within thirty (30) days following the resolution of the challenge to the Project Approvals. All Deposits must be paid to the City within thirty (30) days of Developer's receipt of the City's written demand for the Deposit.~~

**7.11 ~~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 (~~ia~~) actual receipt by any of the addressees designated below as the party to whom notices are to be sent, or (~~ib~~) 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 hereto~~Party may at any time, by giving ten (10) days<sup>2</sup> written notice to the other ~~party hereto~~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

~~If to the City:~~

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

~~If to the Developer:~~

~~Scott P. Rynders  
Lightstone DTLA, LLC  
555 West 5<sup>th</sup> Street, 35<sup>th</sup> Floor  
Los Angeles, CA 90013~~

~~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~~

~~with a copy to:~~

~~James E. Pugh  
Sheppard Mullen Richter & Hampton, LLP  
333 South Hope Street, 43<sup>rd</sup> Floor  
Los Angeles, CA 90071-1422~~

**7.12 ~~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 ~~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 ~~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 ~~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 ~~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 ~~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 ~~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 ~~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 ~~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 ~~7.21~~Estoppel Certificate.** The City shall, at any time and within thirty (30) 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 ~~7.21~~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 27 pages and 3 Exhibits one (1) Exhibit, which constitute the entire understanding and agreement of the Parties with respect to the subject matter hereof.

~~(signatures on following page)~~



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: ~~Mr.~~ \_\_\_\_\_  
Eric Garcetti, Mayor

By: \_\_\_\_\_  
Laura Cadogan Hurd,

DATE:

Deputy City Attorney

DATE:

ATTEST:

By: \_\_\_\_\_ ~~Deputy~~

DATE:

~~Lightstone~~ LIGHTSTONE DTLA, LLC,  
a Delaware limited liability company

APPROVED AS TO FORM:

By \_\_\_\_\_

By \_\_\_\_\_

(Print Name and Title) ~~By:~~

Jack H. Rubens for  
~~By:~~ - SHEPPARD, MULLIN,  
RICHTER & HAMPTON LLP,  
Counsel for Developer

\_\_\_\_\_  
~~Name:~~  
~~Title: Authorized Signatory~~

EXHIBIT ~~"A"~~

LEGAL DESCRIPTION OF ~~THE~~ 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~~ 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~~ 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~~ 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~~ 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.

EXHIBIT A-2

MODIFIED DEVELOPMENT AGREEMENT

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

SHEPPARD, MULLIN, RICHTER &  
HAMPTON LLP  
333 S. Hope Street, 43rd Floor  
Los Angeles, California 90071-1422  
Attn: Jack H. Rubens, Esq.

---

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.

**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 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 "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 Certification of FEIR.** The City Council, on \_\_\_\_\_, 2018, after conducting a duly-noticed public hearing, certified the FEIR for the Project.

**2.2.3 City Council Action.** The City Council, on \_\_\_\_\_, 2018, after conducting a duly-noticed public hearing, adopted Ordinance No. \_\_\_\_\_, to become effective on the thirty-first day after its adoption, 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 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 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 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 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 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, said 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 and the Developer shall provide reasonable proof of compliance.

(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 and the Developer shall provide reasonable proof of compliance.

(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 and approved by the Developer in its reasonable discretion.

- 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 and the Developer shall provide reasonable proof of compliance.

(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 and the Developer shall provide reasonable proof of compliance.

(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 ("Pacific Collection" design, consistent with MyFigueroa) on W. Pico Boulevard; and (2) construct, or fund the construction of, the bus shelter on W. Pico Boulevard.

- 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 and the Developer shall provide reasonable proof of compliance.

(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, a maximum time of two (2) minutes per hour for LACC and a maximum of two (2) minutes per hour for Metro.

(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. \_\_\_\_\_ 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.

(h) Homelessness Trust Fund – CD 14. The Developer shall contribute Fifty Thousand Dollars (\$50,000) to Council District 14 Public Benefits Trust Fund No. \_\_\_\_\_ to support the Council District's efforts to eliminate homelessness within the Council District boundaries and citywide. Such payment shall be made prior to the issuance of the first Certificate of Occupancy and the Developer shall provide reasonable proof of compliance

(i) Homelessness Improvement Projects. The Developer shall contribute One Hundred Thousand Dollars (\$100,000) to the Council District 14 Public Benefits Trust Fund No. \_\_\_\_\_ to fund tangible 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 reasonable proof of compliance.

(j) Onsite Sign Takedown Requirement. The Developer shall remove all existing signs located on the Property, including, without limitation, all tenant identification signs, the pole sign at the corner of W. Pico Boulevard and S. Flower Street, billboards, banner signs, wall signs and painted wall signs.



(k) OffSite Sign Takedown Requirement. //The Developer shall, prior to the activation of the Project signage and in coordination with Council District 14, use good-faith efforts to identify and remove ten (10) signs within the boundaries of Council District 14 to diminish aesthetic blight in the Council District.////

**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 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 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 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, 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 substantially changes the permitted uses or substantially increases the height, and density or floor area allowed under the Project Approvals 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, modifications and adjustments 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 modification or adjustment to the Project is in substantial conformance with the Project Approvals, the Planning Department may effectuate such refinements, changes, modifications and adjustments through

administrative modifications approved by the Parties, and no public hearing shall be required. 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 Discretionary Actions, insofar as this Agreement, the Project Approvals and other 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.** Notwithstanding 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 action of the City, by initiative, or otherwise, 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.** 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 until such time as the first temporary certificate of occupancy or equivalent is issued with respect to the Project, 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. For informational purposes only, it is noted that the City will afford the public an opportunity to submit written comments regarding compliance to the Planning Director at least sixty (60) 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 the public, if requested.

**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 including in this Agreement by suitable amendment from time to time 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. 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 Mortgagee 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 thirty (30) 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.**

**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 7.10 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 7.10.2, 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 (30) 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 Cooperation.** The City shall cooperate with the Developer in the defense of the Proceeding; provided, however, that such obligation of the City to cooperate in its defense shall not require the City to (a) assert a position in its defense of the Proceeding which it has determined, in its sole discretion, has no substantial merit, (b) advocate in its defense of the Proceeding legal theories which it has determined, in its sole discretion, lack substantial merit, or (c) advocate in its defense of the Proceeding legal theories which it has determined, in its sole discretion, are contrary to its best interests, or to public policy. Nothing contained in this Section 7.10 shall require the Developer to refrain from asserting in its defense of the Proceeding positions or legal theories that do not satisfy the foregoing requirements.

**7.10.5 Contractual Obligation.** The Developer acknowledges and agrees that the obligations imposed in this Section 7.10 are contractual in nature, and that the breach (beyond any applicable notice and cure period) of any such obligation may subject the Developer to a breach of contract claim by the City.

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

**7.10.7 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 thirty (30) 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 \_\_\_\_\_

By \_\_\_\_\_

\_\_\_\_\_  
(Print Name and Title)

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° 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° 03' 26" WEST; THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 40° 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.

EXHIBIT A-3

COMPARISON OF PUBLIC BENEFITS IN THE MODIFIED DA AND THE CPC DA

Category	CPC DA	Modified DA	Modifications Made
<b>Department of Transportation</b>	<p>(a) <u>Pedestrian Signal Crossing Improvements – DOT.</u> Prior to the issuance of the Certification of Occupancy (C of O), the Developer shall: (1) coordinate with the Los Angeles Department of Transportation (DOT) to finalize design of the following improvements; and, (2) fund and construct said physical improvements at and/or within the intersection of Pico Boulevard and Flower Street, all as determined by DOT:</p> <ul style="list-style-type: none"> <li>i. Pedestrian Lead Interval: <i>Estimated Value</i> \$10,000</li> <li>ii. High Visibility Crosswalk: <i>Estimated Value</i> \$10,000</li> </ul> <p>These values are estimations and the final amount of these physical improvements may be less than, or may exceed, the value identified above.</p> <p>(b) <u>Scramble Crosswalks – DOT.</u> Prior to the issuance of the Certification of Occupancy (C of O), the Developer shall: (1) coordinate with the Los Angeles Department of Transportation (DOT) to finalize the design for the installation of Scramble Crosswalks; and, (2) fund and construct said these improvements at and/or within the following intersections: Figueroa Street and Pico Boulevard, Figueroa Street and 11th Street, Figueroa and 12th Street, and Figueroa Street and Olympic Boulevard, all as determined by DOT:</p> <ul style="list-style-type: none"> <li>i 4 Intersections: Estimated Value \$50,000 each (\$200,000 total)</li> </ul> <p>These values are estimations and the final amount of these physical improvements may be less than, or may exceed, the value identified above.</p> <p>If these improvements are found to be impractical or</p>	<p>(a) <u>Pedestrian Signal Crossing Improvements – LADOT.</u> 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, said physical improvements at the intersection of W. Pico Boulevard and S. Flower Street:</p> <ul style="list-style-type: none"> <li>i. Pedestrian lead interval for a total cost not to exceed Ten Thousand Dollars (\$10,000).</li> <li>ii. High visibility crosswalk for a total cost not to exceed Ten Thousand Dollars (\$10,000).</li> </ul> <p>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 and the Developer shall provide reasonable proof of compliance.</p> <p>(b) <u>Scramble Crosswalk – LADOT.</u> 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 (<u>i.e.</u>, 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:</p>	<p><u>Pedestrian Signal Crossing Improvements</u></p> <p>Modified DA includes an in-lieu fee option.</p> <p><u>Scramble Crosswalks</u></p> <p>Modified DA substitutes the construction of four intersections with the construction of one scramble crosswalk.</p> <p>Modified DA also includes an in-lieu fee option.</p> <p><u>Mid-Block Crosswalks</u></p> <p>Modified DA does not include this requirement.</p>



EXHIBIT A-3

COMPARISON OF PUBLIC BENEFITS IN THE MODIFIED DA AND THE CPC DA

Category	CPC DA	Modified DA	Modifications Made
	<p>infeasible, all or a remainder of the funds shall be used towards the installation and purchase of new bus shelters within the project vicinity, in which case, the Developer shall: (1) coordinate with the City of Los Angeles Bureau of Street Services to identify the design and location of bus shelters and (2) fund the purchase and installation of bus shelters within the project vicinity, as recommended by the Bureau of Street Services.</p> <p>(c) <u>Mid-block Crosswalks – DOT</u>. Prior to the issuance of the Certification of Occupancy (C of O), the Developer shall: (1) coordinate with the Los Angeles Department of Transportation (DOT) to finalize the design for the installation of Mid-block Crosswalks; and, (2) fund and construct said these improvements within the following segments along Figueroa Street: Olympic Boulevard and 11th Street, and 12th Street and Pico Boulevard, all as determined by DOT:</p> <p>i <i>Estimated Value</i> \$150,000 each (\$300,000 total)</p> <p>These values are estimations and the final amount of these physical improvements may be less than, or may exceed, the value identified above.</p> <p>If these improvements are found to be impractical or infeasible, all or a remainder of the funds shall be used towards the installation and purchase of new bus shelters within the project vicinity, in which case, the Developer shall: (1) coordinate with the City of Los Angeles Bureau of Street Services to identify the design and location of bus shelters and (2) fund the purchase and installation of bus shelters within the project vicinity, as recommended by the Bureau of Street Services.</p>	<p>i. Scramble crosswalk for a total cost not to exceed Fifty Thousand Dollars (\$50,000).</p> <p>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 and the Developer shall provide reasonable proof of compliance.</p>	

EXHIBIT A-3

COMPARISON OF PUBLIC BENEFITS IN THE MODIFIED DA AND THE CPC DA

Category	CPC DA	Modified DA	Modifications Made
<b>Metro</b>	<p>(d) <u>Wayfinding Signage – Metro</u>. Prior to the issuance of a Certificate of Occupancy for the project, the Developer shall: (1) coordinate 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 the signs along Figueroa Street, Pico Boulevard, and Flower Street, adjacent to the Project Site, as recommended by Metro.</p> <p>i. <i>Estimated Value</i> \$9,000 each (\$27,000 total)</p> <p>These values are estimations and the final amount of these physical improvements may be less than, or may exceed, the value identified above.</p> <p>(e) <u>Real Time Transfer Signage – Metro</u>. Prior to the issuance of a Certificate of Occupancy for the project, the Developer shall: (1) coordinate with the Los Angeles County Metropolitan Transportation Authority (Metro) to identify the design and location of one (1) LCD color display sign; and, (2) fund the purchase and installation of the signs at the bus shelter on Pico Boulevard on Flower Street, as recommended by Metro.</p> <p>i. <i>Estimated Value</i> \$30,000</p> <p>These values are estimations and the final amount of these physical improvements may be less than, or may exceed, the value identified above.</p> <p>(f) <u>Bus Shelter Seating and Amenities – Metro</u>. Prior to the issuance of a Certificate of Occupancy for the project, the Developer shall: (1) coordinate with the Los Angeles Bureau of Street Services to identify the design and location of one (1) bus shelter (“Pacific” Collection design, consistent</p>	<p>(c) <u>Wayfinding Signage – Metro</u>. 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 and approved by the Developer in its reasonable discretion.</p> <p>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.</p> <p>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 and the Developer shall provide reasonable proof of compliance.</p> <p>(d) <u>Real Time Transfer Signage – Metro</u>. 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.</p> <p>i. The total cost for the design and installation of</p>	<p><u>Wayfinding Signage</u></p> <p>Modified DA includes an in-lieu fee option.</p> <p><u>Real Time Transfer Signage</u></p> <p>Modified DA includes an in-lieu fee option.</p> <p><u>Bus Shelter Seating and Amenities</u></p> <p>Modified DA includes an in-lieu fee option and a section clarifying that the bus stations shall be located on Pico Boulevard.</p>

EXHIBIT A-3

COMPARISON OF PUBLIC BENEFITS IN THE MODIFIED DA AND THE CPC DA

Category	CPC DA	Modified DA	Modifications Made
	<p>with MyFigueroa bus shelters) on Flower Street at Pico Boulevard; and, (2) fund the purchase and installation of the bus shelter on Pico Boulevard on Flower Street, as recommended by the Bureau of Street Services.</p> <p>i Estimated Value \$30,000</p> <p>These values are estimations and the final amount of these physical improvements may be less than, or may exceed, the value identified above.</p>	<p>the LCD sign shall not exceed Thirty Thousand Dollars (\$30,000).</p> <p>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 and the Developer shall provide reasonable proof of compliance.</p> <p>(e) <u>Bus Shelter Seating and Amenities – Bureau of Street Services.</u> 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 ("Pacific Collection" design, consistent with MyFigueroa) on W. Pico Boulevard; and (2) construct, or fund the construction of, the bus shelter on W. Pico Boulevard.</p> <p>i. The total cost for the design and construction of the bus shelter shall not exceed Thirty Thousand Dollars (\$30,000).</p> <p>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 and the Developer</p>	

EXHIBIT A-3

COMPARISON OF PUBLIC BENEFITS IN THE MODIFIED DA AND THE CPC DA

Category	CPC DA	Modified DA	Modifications Made
		shall provide reasonable proof of compliance.	
<b>Signage</b>	<p>(g) <u>Signage</u>. Upon issuance of the Certificate of Occupancy (C of O) or permit which allows the operation of the on-site Digital Displays for the project, and subject to Annual Review thereafter in accordance with Section 4.1 of this agreement, the Developer shall make available for use by the Los Angeles Convention Center (LACC) and Metro, no less than three (3) minutes per hour, to LACC and Metro each, for each Digital Display during hours of signage operation at no cost to LACC and Metro. The time on the 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 the Refresh Rate). Upon issuance of the Certificate of Occupancy (C of O) or permit which allows each Supergraphic Sign for the project, and subject to Annual Review thereafter in accordance with Section 4.1 of this agreement, the Developer shall dedicate a minimum of 20% of each individual Supergraphic Sign, or the collective area representing 20% of the total area of Supergraphic Signs installed on the Project Site, for equal use by LACC and Metro. The Developer submit documentation in the form of agreements with LACC and Metro which detail the amount of time and the specific messaging advertised on the Digital Displays and Supergraphic Signs to demonstrate compliance with this obligation.</p>	<p>(f) <u>Digital Display – LACC and Metro</u>. 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, a maximum time of two (2) minutes per hour for LACC and a maximum of two (2) minutes per hour for Metro.</p>	<p><u>Signage</u></p> <p>Modified DA limits LACC and Metro signage use to use of the Hotel C Digital Display. Modified DA decreases time of use from three minutes per hour for LACC and Metro, to two minutes per hour for LACC and Metro.</p> <p>Modified DA does not include requirement of Developer to dedicate 20% of Supergraphic Signs to LACC and Metro.</p>
<b>Trust Fund Payment</b>	<p>(h) <b>Public Benefits Trust Fund – CD14</b>. On the annual anniversary of the effective date of the Development Agreement, the developer shall make an annual payment to the CD 14 – Public Benefits Trust Fund for the Term of the Development Agreement as defined in 7.2, in an amount of \$100,000 to support Council District 14's efforts to address blight removal, façade improvements, street cleaning, graffiti removal, etc. within the boundaries of Council District 14, for a total sum of \$1,000,000 over a ten-year</p>	<p>(g) <u>Public Benefits Trust Fund – CD 14</u>. 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. _____ 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</p>	<p><u>Public Benefits Trust Fund – CD 14</u></p> <p>Modified DA does not include a requirement for the Council Office to provide Planning</p>

EXHIBIT A-3

COMPARISON OF PUBLIC BENEFITS IN THE MODIFIED DA AND THE CPC DA

Category	CPC DA	Modified DA	Modifications Made
	period. As part of the Annual Review of the Development Agreement, the Council Office shall provide the Director of Planning a summary of monies received and expenditures/improvements made related to these efforts. In the event that the Term is reduced or the Agreement terminated, the Developer shall pay the remainder of the \$1,000,000 due at the time the Agreement is reduced or terminated.	total sum of One Million Dollars (\$1,000,000) over a ten-year period.	with a summary of monies received.
Cash Benefits	(i) <b>Department of City Planning – Office of Historic Resources.</b> Within 90 days of the effective date of the Development Agreement, the Developer shall make a payment of \$50,000 to the Department of City Planning’s Office of Historic Resources (OHR) to fund a study of resources within the Central City and Central City North Community Plan areas.	(h) <u>Homelessness Trust Fund – CD 14.</u> The Developer shall contribute Fifty Thousand Dollars (\$50,000) to Council District 14 Public Benefits Trust Fund No. _____ to support the Council District’s efforts to eliminate homelessness within the Council District boundaries and citywide. Such payment shall be made prior to the issuance of the first Certificate of Occupancy and the Developer shall provide reasonable proof of compliance  (i) <u>Homelessness Improvement Projects.</u> The Developer shall contribute One Hundred Thousand Dollars (\$100,000) to the Council District 14 Public Benefits Trust Fund No. _____ to fund tangible 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 reasonable proof of compliance.	<u>Department of City Planning – Office of Historic Resources</u>  Modified DA does not include this section requiring payment of \$50,000 to the Office of Historic Resources.  <u>CD14 Public Benefits Trust Fund</u>  Modified DA adds this section requiring payment of \$50,000 to support efforts to eliminate homelessness.

EXHIBIT A-3

COMPARISON OF PUBLIC BENEFITS IN THE MODIFIED DA AND THE CPC DA

Category	CPC DA	Modified DA	Modifications Made
			<p><u>Homelessness Improvement Projects</u></p> <p>Modified DA adds this section requiring payment of \$100,000 to fund homeless services/facilities.</p>
Other Benefits	None	<p>(j) <u>Onsite Sign Takedown Requirement.</u> The Developer shall remove all existing signs located on the Property, including, without limitation, all tenant identification signs, the pole sign at the corner of W. Pico Boulevard and S. Flower Street, billboards, banner signs, wall signs and painted wall signs.</p> <p>(k) <u>OffSite Sign Takedown Requirement.</u> The Developer shall, prior to the activation of the Project signage and in coordination with Council District 14, use good-faith efforts to identify and remove ten (10) signs within the boundaries of Council District 14 to diminish aesthetic blight in the Council District.</p>	<p><u>On-Site Sign Takedown Requirement</u></p> <p>Modified DA adds this section requiring removal of all existing signs.</p> <p><u>Off-Site Sign Takedown Requirements</u></p> <p>Modified DA adds this section requiring removal of ten signs in CD14.</p>

EXHIBIT B-1

REDLINE OF MODIFIED SD ORDINANCE

**ORDINANCE NO. \_\_\_\_\_**

An Ordinance establishing the Figueroa and Pico Sign District (Sign District) pursuant to the provisions of ~~Section~~Sections 13.11 and 12.32.S of the Los Angeles Municipal Code (Code) and Section 558 of the Los Angeles Charter (Charter).

**WHEREAS**, the Figueroa and Pico Sign District will be located in the Downtown Center, where the General Plan Framework calls for the continuation and expansion of commercial, residential, transportation, entertainment, and visitor-serving functions that distinguish and uniquely identify the Downtown Center;

**WHEREAS**, the Sign District is located directly across S. Figueroa Street from the Los Angeles Convention Center (LACC), near the Staples Center and LA Live, adjacent to rail transit, and in proximity to several hotels and entertainment venues where unique sign regulations are required to accommodate the convention, entertainment, community, and business character of the properties in and around the Sign District;

**WHEREAS**, the Sign District ~~extends from the boundary of~~is adjacent to the area subject to the existing Los Angeles Sports and Entertainment District (LASED) Specific Plan, which includes creative, animated and other extensive signage rights for properties within the LASED, and development within the LASED has served as a catalyst for investment in the Central City as a key destination for business, entertainment, and cultural activities;

**WHEREAS**, additional urban infill and redevelopment, including hotels, convention center, ~~multifamily~~multi-family residential, commercial and retail uses, and infrastructure projects on and around S. Figueroa Street continue to transform the South Park neighborhood into a vibrant area comprised of world-class entertainment venues, creative signage, expanded convention facilities, regional attractions, and residential uses with a distinct demographic and aesthetic identity;

**WHEREAS**, the Sign District will foster a vibrant urban environment with a unified aesthetic and sense of identity, by setting standards for uniform signage design, providing well-planned placement of signage with consideration for surrounding uses, while also providing functional way-finding and building identification along streets, thereby connecting regional transit, entertainment, and ~~Convention Center~~LACC areas.

**WHEREAS**, the Sign District includes the Fig+Pico Conference Center Hotels, which are designed to serve the ~~Los Angeles Convention Center~~LACC and the hotel needs of the City, and require unique digital displays and vibrant signage to be consistent with the adjacent LASED and further evolve the physical and aesthetic identity of the area for residents, visitors, and businesses in the Central City area and to further promote the entertainment character of the Sign District and surrounding areas;

**WHEREAS**, the permitting of off-site signs and digital displays at the Fig+Pico Conference Center Hotels will directly advance the purposes of improving the aesthetics of the area by carefully regulating the placement and design of such signs; and

**WHEREAS**, on ~~July 1~~June 17, 2016 the City Council ~~instructed the Planning Department to initiate a Sign District that creates~~initiated the Sign District pursuant to its legislative powers in Section 558 of the Charter and instructed the Department of City Planning to implement the process to create a sign district that establishes a unique identity between the



~~Los Angeles Convention Center~~LACC, LASED, the Fig+Pico Conference Center Hotels, the South Park community, ~~and the City~~on City-owned and private parcels ~~in the area~~that comprise the Sign District boundary described in this Ordinance;

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

**Sign District Boundary**

(Modified graphics)

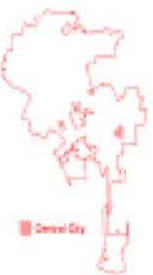


## FIGUEROA AND PICO SIGN DISTRICT

 Sign District Boundary



Data Sources: Department of City Planning & Bureau of Engineering



I

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## FIGURES

FIGURE 1 ~~SUBAREA MAP~~ (SIGN DISTRICT SUBAREAS)

FIGURE 2 (VERTICAL SIGN ZONES)

## EXHIBIT

EXHIBIT 1 (SUBAREA A APPROVED SIGNS)

## **SECTION 1    ~~SECTION 1.~~ ESTABLISHMENT OF THE FIGUEROA AND PICO SIGN DISTRICT.**

The City Council hereby establishes the Figueroa and Pico Sign District (Sign District), which shall be applicable to that area of the City shown within the heavy dashed line on Figure 1 – (Sign District Map Subareas), comprising approximately ~~3.864~~4.35 acres, generally located along S. Figueroa Street, Pico Boulevard, and Flower Street.~~W. Pico Boulevard and S. Flower Street including without limitation those properties located at 1240-1260 S. Figueroa Street and 601 W. Pico Boulevard (APNs 5138-025-014, 5138-025-017, 5138-025-016, and 5138-025-900), 1300 S. Figueroa Street, 535 W. Pico Boulevard, 520-638 W. Pico Boulevard, 1220-1308 S. Flower Street, & 1309-1315 S. Flower Street (APNs 5134010004, 5134-010-023, 5134-011-026, 5134-011-027, 5134-011-028, 5138-026-011, 5138-026-016, 5138-026-017, 5138-026-020, 5138-026-028, 5138-026-036 and 5138-025-910).~~

## **SECTION 2    ~~SECTION 2.~~ PURPOSES**

The ~~Figueroa and Pico~~ Sign District is intended to:

- ~~A.A.~~ Support and enhance the land uses and urban design objectives of the Central City Community Plan, the LASED and South Park district;
- ~~B.B.~~ Create a unique and recognizable identity consistent with the adjacent LASED through creative signage elements, to draw visitors to the South Park area to benefit the local economy and reduce lingering blight;
- ~~C.C.~~ Permit a variety of signage elements to allow for creativity and flexibility in design over time;
- ~~D.D.~~ Ensure that new Off-Site ~~signs~~Signs, Digital Displays, and Supergraphic Signs are responsive to and integrated with the aesthetic character of the structures on which they are located;
- ~~E.E.~~ Protect adjacent residential uses from potential adverse impacts by concentrating signage away from residential areas, and setting standards for signage ~~amounts~~numbers, size, illumination, and sign motion/animation; and
- ~~F.F.~~ Coordinate the location, type and display of signs with the adjacent LASED so as to enhance the pedestrian realm, minimize potential traffic hazards, protect public safety, and maintain compatibility with surrounding uses.

## **SECTION 3    ~~SECTION 3.~~ APPLICATION OF SUPPLEMENTAL USE DISTRICT REGULATIONS.**

- ~~A.A.~~ This Ordinance as adopted, or as may be amended from time to time, regulates signs within the Sign District. The regulations of this Ordinance are in addition to those set forth in the ~~Planning and Zoning~~planning and zoning provisions of the ~~Los Angeles Municipal Code (Code).~~ These regulations do not convey any rights not otherwise granted under the provisions and procedures contained in the Code or other relevant ordinances, except as specifically provided for in this Ordinance.~~Code.~~

~~B.B. Wherever~~ As more specifically set forth in Section 6, wherever this Ordinance contains provisions that establish regulations for sign types, sign height, sign area, number of signs, sign approvals, issuance of permits for the installation and operation of signs, sign dimensions, sign illumination, sign content or other time, place or manner regulations that are different from, more restrictive than, or more permissive than ~~those contained in the Code or other relevant ordinances would allow~~, this Ordinance shall prevail. ~~However, the regulations of this District do not supercede the regulations of the Los Angeles Sports and Entertainment District Specific Plan applicable to Subarea B.~~

#### SECTION 4 ~~SECTION 4.~~ DEFINITIONS.

Whenever the following terms are used in this Ordinance, they shall be construed as defined in this Section. Notwithstanding Code Section 13.11, words and phrases not defined ~~here~~herein shall be construed as defined in Sections 12.03 and Article 4.4 of the Code.

**Aerial View Sign.** A sign that is applied or placed upon the roof surface, approximately parallel with the roof plane, intended to be viewed from the sky. An Aerial View Sign shall not be visible from any adjacent public right-of-way.

**Animated Sign.** A sign that contains images, parts or illumination which flash, change, move, stream, scroll, blink or otherwise incorporate motion.

**Approved Signs.** The signs identified on **Exhibit 1**, including any sign support structures and lighting relating to such signs and/or required for the operation of such signs, which shall be placed or installed in the approximate locations shown on the site plan in **Exhibit 1** and approved by the City Council pursuant to this Ordinance, as may be amended or modified from time to time subject to Director approval.

**Can Sign.** A wall sign whose text, logos and symbols are placed on the plastic face of an enclosed cabinet.

**Captive Balloon Sign.** Any object inflated with hot air or lighter-than-air gas that is tethered to the ground or a structure.

**Controlled Refresh Rate 1.** The controlled refresh rate is the rate at which a Digital Display may change content when such Digital Display is not an Animated Sign. Content changes on Digital Displays subject to Controlled Refresh Rate 1 shall be no more frequent than one refresh event every eight seconds with an instant transition between images. The sign image must remain static between refreshes.

**Digital Display.** A sign face, building face, and/or any building or structural component that displays still images, scrolling images, moving images, or flashing images, including video and animation through the use of grid lights, cathode ray projections, light emitting diode displays, plasma screens, liquid crystal displays, fiber optics, or other electronic media or technology that is either independent of or attached to, integrated into, or projected onto a building or structural component, and that may be changed remotely through electronic means.

**Identification Sign.** A wall sign that is limited to a company logo, generic type of business, or the name of a business or building.

**Inflatable Sign.** An object that is inflated with cold air, hot air, helium or lighter-than-air substance. It may be of various shapes, made of flexible fabric, and may be equipped with a portable blower motor that provides constant flow of air into the device. Inflatable Signs are restrained, attached, or held in place by a cord, rope, cable or similar method.

**Integral Large-Scale Architectural Lighting.** Large-Scale Architectural Lighting that (1) is attached directly to and made integral with architectural elements on the facade of a building; and (2) contains individual pixels of a digital light source that are embedded into architectural components separated vertically or horizontally from one another, and are of a design that allows outward views from and within the supportive structure. Such a design may include low resolution digital mesh or netting, individual large scale pixels covering a building wall diffused behind translucent material, or horizontal or vertical LED banding integrated into the spandrels or louvers of a ~~building's~~building's architecture.

**Interior Sign.** A sign, having no sign face visible from any public ~~or private~~ right-of-way, ~~that is enclosed by permanent, opaque architectural features on the project site, including building walls, freestanding walls, roofs, or overhangs.~~

**Large-Scale Architectural Lighting.** Lighting elements placed on a significant portion of a ~~building's~~building's facade to highlight or accentuate vertical, horizontal, or other elements of the ~~structure's~~structure's architecture.

**Monument/~~Pillar~~ Sign.** A freestanding sign, consisting of rectangular sign faces or a sculptural themed shape, which is erected directly upon the existing or artificially created grade and not on any visible poles or posts.

**Off-Site Sign.** A sign that displays any message directing attention to a business, product, service, profession, commodity, activity, event, person, institution or any other commercial message, which is generally conducted, sold, manufactured, produced, or offered or occurs elsewhere than ~~on~~within the ~~premises where~~boundaries of the ~~sign is located.~~

~~**On-Site Sign.** A sign that is other than an off-site sign~~District. For purposes of the sign regulations in this ~~ordinance~~Ordinance, signage located within the Sign District ~~displaying~~that displays any message for the adjacent ~~City of Los Angeles Convention Center or LACC, including any message relating to events occurring at the LACC, or transit information~~ for Los Angeles County Metropolitan Transportation Authority (Metro) ~~transit information~~ shall not be considered ~~as an On-Site Sign~~Off-Site Signs.

**On-Site Sign.** A sign that is other than an Off-Site Sign.

**Projecting Sign.** A sign, other than a wall sign, that is attached to a building and projects outward from the building with one or more sign faces approximately perpendicular to the face of the building.



**Sandwich Board Signs.** A portable sign consisting of two sign faces that connect at the top and extend outward at the bottom of the sign and for which a building permit is required.

**Sign, Legally Existing.** A sign authorized by all necessary permits.

**Supergraphic Sign.** A sign, ~~consisting that consists~~ of an image ~~projected onto a wall or printed on vinyl, mesh or other material,~~ with or without written text, which is applied to and made integral with a wall, projected onto a wall, illuminated by LED or other pixilated lighting where permitted, or printed on vinyl, mesh, window film, or other material supported and attached to a wall or window by an adhesive and/or by using stranded cable and eye-bolts and/or other materials or methods, ~~and which does not comply with the following provisions: Subsection 8.C. Wall Signs of this Ordinance and Sections 14.4.10 (Wall Signs), 14.4.16 (Temporary Signs), 14.4.17 (Temporary Signs on Temporary Construction Walls), 14.4.18 (Off-Site Signs), and/or 14.4.20 (Art Murals and Public Art Installations) of the Code.~~

**Temporary Sign.** Any sign that is to be maintained for a limited duration, not to exceed 60 days, and not to exceed a total of 90 days per year on a single building façade, and which is not permanently affixed to the ground, a building or structure. Temporary Signs include Inflatable Signs.

**Wall Sign.** Any sign attached to, painted on or erected against the wall of a building or structure, with the exposed face of the sign in a plane approximately parallel to the plane of the wall.

~~Note: Definitions for other signs referenced in this ordinance are provided in the Code: Illuminated Architectural Canopy Sign, Information Sign, Original Art Mural, Pole Sign, Projecting Signs, Public Art Installation, Roof Sign, Sign, Supergraphic Sign, Temporary Sign, Window Sign.~~

**Wayfinding Sign.** A pedestrian or auto oriented sign that indicates the route to, direction of or location of a given destination, or that provides regulatory or service information of a non-advertising character (including local and regional transit information), including messages giving directions, instructions, menu, selections, building names (including those buildings or areas whose names include the name of an individual or a sponsoring or corporate entity) or address numerals.

## **SECTION 5   ~~SECTION 5.~~ PROCEDURAL REQUIREMENTS.**

**A. Building Permits.** The Los Angeles Department of Building and Safety (LADBS) shall not issue a permit for a sign, a sign structure, sign illumination, or alteration of an existing sign within the Sign District unless the sign complies with (1) the requirements of this Ordinance as determined by the Director of Planning (Director) and (2) ~~relevant~~applicable requirements of the Code.

**B. Application.** An applicant requesting review of one or multiple signs for conformity with this Ordinance or, if required hereby, a Project Permit Compliance or modification thereto, a Project Permit Adjustment, or an exception to, or interpretation of, this Ordinance, shall submit the following to the Director (for signs subject to Project Permit Compliance or a modification

thereto, the applicant shall also submit the items specified in Section 11.5.7.B.2(a) of the Code).

1. Three copies of the sign plan drawn to scale, showing the type, height, placement, lettering styles, materials, colors and lighting methods and specifying the Subarea and Vertical Sign Zone(s) for the proposed sign(s), which shall reflect conformity with the requirements specified for such sign in this Ordinance and applicable provisions of the Code.
2. A graphic depiction of the location(s) of the sign(s) on the conceptual sign drawings.
3. A scaled plot plan showing the location and size of all existing and proposed signs.

**C. ~~B. Director Sign-Off Required.~~** ~~LADBS may issue a permit for~~With respect to the following ~~types of signs with,~~ only a ministerial Director ~~sign-off~~sign-off on a ~~sign~~the permit application ~~with the Sign District~~shall be required prior to the issuance by LADBS of a building permit. Upon making the findings set forth in Section 5.D, below, the Director shall stamp, sign and date the permit application plans for:

1. Approved Signs
2. ~~1.~~ Identification Signs
3. ~~2.~~ Monument/~~Pillar~~ Signs
4. ~~3.~~ Projecting Signs
5. ~~4.~~ Wall Signs.

**D. Procedure for Director Sign-Off.** An applicant for any sign described in Section 5.C, above, shall submit the materials described in Section 5.B, above, to the Director. The Director shall approve the application and authorize the issuance of building permits for a sign described in Section 5.C, above, after making the following findings:

1. The applicant has submitted all of the materials required in Section 5.B, above.
2. The proposed sign complies with the applicable regulations in this Sign District and the Code.
3. In the case of an Approved Sign, the location, type and size of such Approved Sign is in substantial conformance with Exhibit 1 hereto.
4. There are no outstanding orders to comply with respect to other signs on the same property where the proposed sign is to be erected.
5. If the requested sign is approved, the total allowable signage within the applicable Subarea will not be exceeded.

The Director shall ~~sign-off on the permit application if the sign complies with all of the applicable requirements~~approve or disapprove the request within 30 days

of the date the application is submitted to the Director. If the Director disapproves a sign listed in Section 5.C, above, the Director shall notify the applicant in writing of the specific provisions of this Ordinance ~~and Exhibits and the applicable requirements of the Code. The Director's approval shall also be indicated by stamping the permit plans or the Code with which the proposed sign does not comply.~~ Otherwise, the Director shall timely approve all requests for signs listed in Section 5.C, above, upon making the required findings set forth in this Section 5.D. The Director shall also have the authority to approve modifications to any signs listed in Section 5.C, above.

**E. ~~C.~~ Exempt Signs.** The following sign types shall be subject to LADBS review ~~and the relevant, based on the applicable~~ requirements of this Ordinance and the Code, but are exempt from Director's review and do not require a Director's permit sign-off:

1. Information Signs
2. Interior Signs
3. Original Art Murals
4. Public Art Installations
5. Temporary ~~signs~~ Signs
6. Window Signs
7. Wayfinding Signs.

**F. ~~D.~~ Project Permit Compliance.** Except for Approved Signs (for which Project Permit Compliance approval is not required), LADBS shall not issue a permit for the following signs or lighting unless and until the Director has issued a Project Permit Compliance approval pursuant to the procedures set forth in Section 11.5.7 of the Code:

1. Aerial View Signs
2. Animated Signs
3. ~~1.~~ Digital Displays
4. ~~2.~~ Integral Large-Scale Architectural Lighting
5. ~~3.~~ Supergraphic Signs
6. ~~4. Off-site~~ Off-Site Signs.

**G. ~~E.~~ Request for Deviations from Regulations.** The procedures for adjustments, exceptions, amendments and interpretations to this Ordinance shall follow the procedures set forth in Section 11.5.7.E-H of the ~~Los Angeles Municipal~~ Code.

## **SECTION 6 ~~SECTION 6.~~ GENERAL REQUIREMENTS.**

**A. General Requirements of Code.** ~~Unless specified in~~ The intent of this Ordinance ~~to the contrary, the general sign requirements set forth in the Code shall apply to this Sign District for permits, plans, design and construction, materials, street address numbers, identification, maintenance, prohibited locations, and sign illumination.~~ is to create a sign district with dynamic, animated and creative signage, including signs that are not otherwise permitted by the Code. Except as otherwise expressly provided herein, Code Sections 91.6205.6.1, 91.6205.6.2, 91.6205.11.2, 91.6205.11.4, 91.6205.11.7,

91.6205.11.8, 91.6205.12, 91.6205.13, 91.6207-91.6215, 91.6216.2, 91.6216.3, 91.6217-91.6219, 28.10, 28.11, 28.15, 67.02(a), and 67.29 are preempted and superseded by this Ordinance. For signs within the Sign District, the provisions of this Ordinance shall preempt and supersede the regulations in Code Sections 14.4.1, et seq., and 91.6201, et seq., relating to sign height, sign area, sign type and sign location. A building permit shall be obtained from LADBS in accordance with the applicable provisions of the Code for all signs, sign structures and/or alterations to existing signs, other than changes to or replacement of sign face copy.

**B. Permitted Signs.** Except as otherwise prohibited in *Subsection 6.C. (Prohibited Signs)* below, all signs ~~defined~~described and regulated in *Section 8. (Standards for Specific Types of Signs)* of this Ordinance and all signs otherwise permitted by the Code shall be permitted within the Sign District.

**C. Prohibited Signs.** The following signs shall be prohibited:

1. Can Sign, ~~or conventional plastic faced box, canister, or cabinet signs~~ (except as permitted ~~in Subsection~~by Section 8.C. (Wall Signs))

2. Captive Balloon Sign

~~3. Digital Displays on Flower Street~~

~~3.~~ 4. Illuminated Architectural Canopy Sign

~~4.~~ 5. Inflatable Device

~~6. Off-Site Sign (except as permitted in Subsection 8.D. Supergraphics and Subsection 8.E. Digital Displays)~~

~~7. Pole Sign~~

~~5.~~ 8. Roof Sign

~~6.~~ 9. Sandwich Board Sign

~~10. Any sign not specifically authorized by this Ordinance or by the Code.~~

**D. Approved Signs.** This Ordinance permits and authorizes the construction, operation and use of the Approved Signs without further discretionary action, subject only to the ministerial sign-off by the Director as set forth in Section 5.C (Director Sign-Off Required).

**E. On-Site and Off-Site Signs.** Notwithstanding any other provision of the Code or this Ordinance, any sign within Subarea A may be either an On-Site Sign or Off-Site Sign. This Ordinance governs only aspects of signs that are Off-Site Signs within Subarea A.

**F. ~~D.~~ Interior Signs.** Interior Signs may be any sign type, except for prohibited signs listed in *Subsection 6.C. (Prohibited Signs)*, and shall not be subject to the applicable requirements of this ~~Sign District except for the general brightness limitation set forth in Section 14.4.4 E of the Municipal~~Ordinance or the Code.

**G. ~~E.~~ Illumination** ~~Except for Temporary Signs, which may not be illuminated, all signs within the District~~Requirements for Signs Located in Subarea A. The provisions of *Section 6.H (Illumination Requirements for Signs Outside of Subarea A)* of this Ordinance shall not apply to signs located within Subarea A. All signs within Subarea A

may be illuminated. Such signs may be illuminated by either internal or external means. ~~The illumination regulations set forth in the Code, including but not limited to Section 93.0117, shall apply.~~ Methods of signage illumination may include, but are not limited to: electric lamps, such as neon tubes; fiber ~~optics~~optic; incandescent lamps; LED; LCD; cathode ray ~~tube~~tube exposed directly to view; shielded spot ~~lights~~light and wall wash fixtures. ~~In addition, signage shall be subject to the following regulations:~~

1. All illuminated signs within Subarea A shall be designed, located or screened so as to ~~minimize~~limit, to the ~~greatest reasonable~~ extent ~~possible~~feasible, direct light sources onto any ~~exterior wall of a residential unit and into the window of any commercial building.~~ ~~If signs are to be externally lit, the source of the external illumination shall be shielded from public view.~~ that is located outside of the Sign District and/or the LASED. Notwithstanding anything to the contrary herein or in the Code, the following illumination standards shall apply to all signs within Subarea A, including Approved Signs:

~~2. Signage shall not use highly reflective materials such as mirrored glass.~~

~~3. All light sources, including illuminated signage, shall comply with CALGreen (Part 11 of Title 24, California Code of Regulations).~~

~~4. Each Digital Display shall be fully dimmable, and shall be controlled by a programmable timer so that luminance levels may be adjusted according to the time of day.~~

~~5. Light trespass shall not exceed 3 foot-candles, as measured at any adjacent residential use.~~

**F. Sign Illumination Plan.** ~~Additionally, the applicant shall submit a signage illumination plan to the Director as part of the Project Permit Review procedure for Digital Displays set forth in Subsection 5.D above. The signage illumination plan shall be prepared by a lighting design expert, and those portions of the plan setting forth the wattage draw must be certified and stamped by an electrical engineer certified by the State of California. The plan shall include specifications for all illumination, including maximum luminance levels, and shall provide for the review and monitoring of the displays in order to ensure compliance with the regulations of this section, and with the following additional regulations:~~

1. **Brightness.** ~~Digital Displays~~All illuminated signs shall have a nighttime ~~brightness~~luminance no greater than ~~300~~500 candelas per square meter (cd/m2) and a daytime ~~brightness~~luminance no greater than ~~5,000~~ candelas per square meter. ~~The displays~~6,000 cd/m2. The signs shall transition smoothly at a consistent rate from the permitted daytime ~~brightness~~luminance to the permitted nighttime ~~brightness~~luminance levels, beginning 45 minutes prior to sunset and concluding 45 minutes after sunset. After sunrise signs will transition smoothly from the night time maximum luminance of 500 cd/m2 for 45 minutes, up to the maximum permitted daytime luminance.
2. Illuminated signs that have the potential to exceed 500 cd/m2 shall include an electronic control mechanism to reduce sign luminance to 500 cd/m2 at any time when ambient sunlight is less than 100 footcandles.

3. Externally illuminated signs shall incorporate design elements to limit the direct view of the light source surface at all exterior light fixtures to ensure that the light source cannot be seen from adjacent residential-zoned properties.
4. Each Digital Display shall be fully dimmable and shall be controlled by a programmable timer and photocell to adjust the sign luminance according to the time of day and ambient light conditions.
5. ~~2. Beam Spread.~~ All light emitting diodes used within a Digital Display shall have a maximum horizontal beam spread of ~~140~~165 degrees and a maximum vertical beam spread of 65 degrees. All light emitting diodes shall be oriented down towards the street.
6. Any external sign illumination will be directed onto the signage itself and not onto any residential units located outside the Sign District.

#### H. Illumination Requirements for Signs Outside of Subarea A.

1. **Generally.** All signs within Subareas B, C and D may be illuminated by either internal or external means. Methods of signage illumination may include electric lamps, such as neon tubes; fiber optics; incandescent lamps; LED; LCD; cathode ray tubes exposed directly to view; shielded spot lights and wall wash fixtures. Except for signs within Subarea A, all illuminated signs shall be subject to the following regulations:
2. **Regulations.** All signs in Subareas B, C and D shall meet the following criteria with respect to illumination:
  - a. The intensity of each sign display shall be controlled with a photocell with an adjustable set-point that measures available daylight. This set-point shall be used to control the intensity of the Sign output to either the daytime or nighttime brightness standards set forth below in Paragraphs b through d.
  - b. The brightness of any sign that includes neon, neon-like or LED elements shall be fully dimmable and controlled by a timer, which shall be maintained in good working order.
  - c. All illuminated signs shall be designed, located and/or screened so as to minimize light travel onto the exterior walls of residential units and the public right-of-way. If signs are to be externally lit, the source of the external illumination shall be shielded from public view.
  - d. All light emitting diodes used within any illuminated sign shall have a maximum horizontal beam spread of 165 degrees. The maximum or peak light output of any Sign shall be at or below horizontal.

~~3. **Ground Spillage.** When measured at ground level from any location other than the property on which a Digital Display is located, a Digital Display shall not under any circumstance increase the total amount of measurable light more than 2 LUX above the ambient light level that exists when the Digital Display is extinguished.~~

~~4. **Interior Spillage.** When measured from any location within a building on which a Digital Display is located, the Digital Display shall not increase the total amount of measurable light more than 1 LUX above the ambient light level that exists when the Digital Display is extinguished.~~

~~**G. Illumination Testing Protocol for Digital Displays.** Prior to the operation of any Digital Display, the applicant shall conduct testing to indicate compliance with the illumination regulations of this Ordinance, and provide a copy of the results along with a certification from an LADBS approved testing agency to the Director and to LADBS stating that the testing results demonstrate compliance with the requirements of this Ordinance. The testing shall be at the applicant's expense and shall be conducted as follows:~~

~~1. **Testing.** In order to determine whether the illumination complies with the Code and the requirements of this Ordinance, a representative testing site shall be established on or next to those light sensitive receptors, as defined by the City's CEQA Guidelines, which have the greatest exposure to signage lighting on each of the four facades of the Project. A light meter mounted to a tripod at eye level, facing the Project buildings, shall be calibrated and measurements taken to determine ambient light levels with the sign on. An opaque object shall be used to block out the view of the sign and the building from the light meter at a distance of at least four (4) feet away from the tripod. A reading shall then be taken to determine the ambient light levels with the sign off. The difference between the two measurements shall be the amount of light the sign casts onto the sensitive receptor. Alternatively, the applicant may measure light levels by using the same tripod and same light meter, but by turning the signage on and off.~~

~~2. **Metering.** The illumination and intensity levels of all Digital Displays shall also be metered from a minimum of four perspectives (i.e., a perspective metering each facade) using the Candela as unit of measurement, and shall indicate conformance with the standards of this Ordinance.~~

~~3. **Re-testing.** In addition, if, as a result of a complaint or otherwise, LADBS has cause to believe the Project's signage lighting is not in compliance with this Ordinance, LADBS may request, at the expense of the applicant or its successor, that the testing protocol outlined in this section be implemented to determine compliance. If the testing reveals that the signage is not in compliance with the Code, this Ordinance, or Mitigation Measures set both in the Environmental Clearance that the City certified for this Ordinance, the applicant or its successor shall adjust the signage illumination to bring it into compliance immediately.~~

~~**H. Refresh Rate.** The Refresh Rate is the rate at which a Digital Display may change content. The Refresh Rates shall be as follows:~~



~~1. **Controlled Refresh Rate 1.** The Controlled Refresh Rate shall be no more frequent than one refresh event every eight seconds with an instant transition between images. The sign image must remain static between refreshes.~~

~~2. **Controlled Refresh Rate 2.** The Controlled Refresh Rate shall be no more frequent than one refresh event every one minute with an instant transition between images. The sign image must remain static between refreshes.~~

**I. Visual Maintenance.** All signs shall be maintained to meet the following criteria at all times:

1. The building and ground area around the signs shall be properly maintained. All unused mounting structures, hardware, and wall perforation from any abandoned sign shall be removed and building surfaces shall be restored to their original condition.
2. All signage copy shall be properly maintained and kept free from damage and other unsightly conditions, including graffiti.
3. All sign structures shall be kept in good repair and maintained in a safe and sound condition and in conformance with all applicable codes.
4. Razor wire, barbed wire, concertina wire, or other barriers preventing unauthorized access to any sign, if any, shall be hidden from public view.
5. The signage copy must be repaired or replaced immediately upon tearing, ripping, or peeling, or when marred or damaged by graffiti.
6. No access platform, ladder, or other service appurtenance, visible from the sidewalk, street, or public right-of-way, shall be installed or attached to any sign structure.
7. Existing signs that are no longer serving the current tenants, including support structures, shall be removed and the building façades originally covered by the signs shall be repaired/resurfaced with materials and colors that are compatible with the facades.

~~8. **Multiple temporary signs in the store windows and along the building walls of a façade are not permitted.**~~

**J. Hazard Review.** Signs that adhere to the regulations outlined in this Ordinance shall be exempted from ~~further Hazard Determination~~ hazard determination review procedures in the Code ~~Section 14.4.5. All signs shall continue to be subject to Caltrans approval, where applicable.~~

**K. Freeway Exposure.** Signs that adhere to the regulations outlined in this Ordinance shall be exempted from the ~~Freeway Exposure~~ freeway exposure regulations in the Code ~~Section 14.4.6. All signs shall continue to be subject to Caltrans approval, where applicable.~~

**L. Existing Signs.** Every existing sign and/or sign support structure constructed under a valid permit and used in conformance with the Code regulations and LADBS approvals in effect at the time of construction shall be allowed to



continue to exist under those regulations and approvals even though subsequent adopted regulations and approvals have changed the requirements. ~~All existing non-conforming signs shall be included in computing total sign area.~~ There shall be no increase in sign area or height and no change in the location or orientation of any existing non-conforming sign. Before the issuance of a building permit for a new sign on a lot, LADBS shall verify that there are no open sign enforcement actions on the lot.

~~**M. Alterations, Repairs or Rehabilitation.** Any alteration, repair or maintenance work on a legally permitted sign or sign structure shall be governed by the Code.~~

**M. Materials.** The materials, construction, application, location and installation of any sign shall be in conformance with the Los Angeles Building Code and the Los Angeles Fire Code.

**N. New Technologies.** The Director may permit the use of any technology or material ~~which~~that did not exist as of the effective date of this Ordinance, ~~utilizing the Director's Interpretation procedure outlined in Code Section 11.5.7.H,~~ if the Director finds, in his reasonable discretion, that such technology or material is consistent with the regulations described herein.

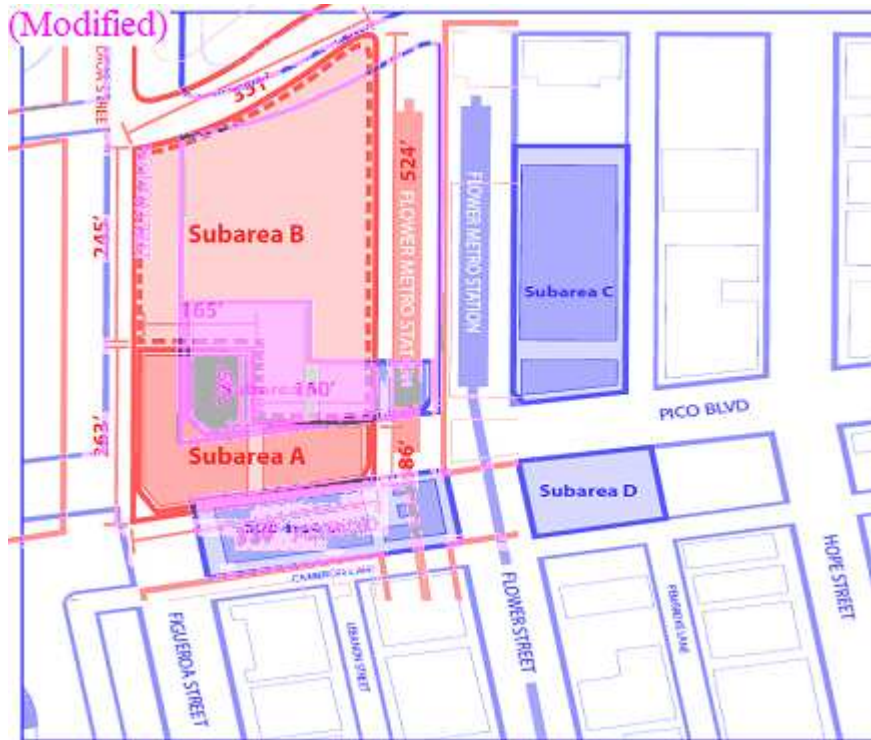
~~**P. Exterior Covering.** Signs, including temporary signs, shall not cover exterior doors and windows (whether operable or inoperable), rescue windows or other openings that serve habitable floor area, except as permitted pursuant to this Ordinance or the LAMC.~~

~~**Q. Street Tree Maintenance.** Street trees along the street frontages of Subarea A shall be trimmed by the Urban Forestry Division of the Bureau of Street Services. Street tree trimming by private parties shall be prohibited, in order to ensure that street trees are not damaged for the purpose of increasing sign visibility.~~

## **SECTION 7** ~~**SECTION 7.**~~ SUBAREAS AND VERTICAL SIGN ZONES.

**A. Sign District Subareas.** The Sign District is divided into ~~two~~four subareas, as shown in **Figure 1**. The purpose of the subareas is to ~~allow for signage rights to extend from the boundary of the Los Angeles Sports and Entertainment District Specific Plan (LASED) area, with new signage regulations implemented~~address the relationship between sign intensity and the uses surrounding each subarea, with more permissive signage allowed along the S. Figueroa Street and W. Pico Boulevard commercial corridors (Subareas A and B), and ~~maintaining the existing signage regulations of the LASED Specific Plan for property currently~~greater restrictions for the subareas zoned for residential purposes (Subareas C and D). Subarea A is the location of the Fig+Pico Conference Center Hotels, which will serve a key link between the Metro Pico station, the LACC and LASED. Signage within Subarea A is intended to be consistent with the signage permitted within the adjacent LASED and signs within Subarea A should include vibrant, animated Digital Displays that are integrated into the buildings and create visual continuity with the signage located within the LASED ~~boundary (Subarea B).~~

**Figure 1: Sign District Subareas\***



**Subarea A.** Subarea A includes parcels with frontage on the east side of S. Figueroa Street, the north side of W. Pico Boulevard and the west side of S. Flower Street. Signs in Subarea A shall be in substantial conformance with Exhibit 1.

**Subarea B.** Subarea B includes parcels with frontage on the east side of Figueroa Street, the south side of W. Pico Boulevard and the west side of S. Flower Street.

**Subarea C.** Subarea C includes parcels with frontage on the north side of W. Pico Boulevard and the east side of S. Flower Street, directly adjacent to the Metro Pico Station.

**\*Note: The boundary of Subarea A shall be consistent with the boundary of the property identified in VTT-74239**

**Subarea D.** Subarea D includes parcels with frontage on the south side of W. Pico Boulevard and the east side of S. Flower Street.

**Subarea A.** ~~Subarea A encompasses parcels with frontage on the east side of Figueroa Street, north side Pico Boulevard, and west side of Flower Street. Signs in Subarea A shall be in constantial conformance with Exhibit 1, except as may be modified to comply with the provisions of this Ordinance.~~

**Subarea B.** ~~Subarea B. Subarea B encompasses parcels with frontage on the east side of Figueroa Street, south side 12th Street, and west side of Flower Street. The regulations of the Sign District do not apply to this Subarea, and the Sign District has no regulatory effects on existing signage rights pursuant to the Los Angeles Sports and Entertainment District Specific Plan.~~

**B. Vertical Sign Zones.** ~~Subarea A is~~All Sign District Subareas are divided into three Vertical Sign Zones ~~(VSZ)~~, as shown in **Figure 2**. The purpose of the Vertical Sign Zones is to address different sign viewing distances, including pedestrian views from street level, pedestrian views from a distance, and views from vehicles.

**Zone 1:** ~~This zone is applicable to all signs located at street level, defined as 0 feet — 35 feet above grade.~~

**Zone 2:** ~~This zone is applicable to all signs located at the podium or mid-level of multistory buildings, defined as 35 feet — 100 feet above grade.~~

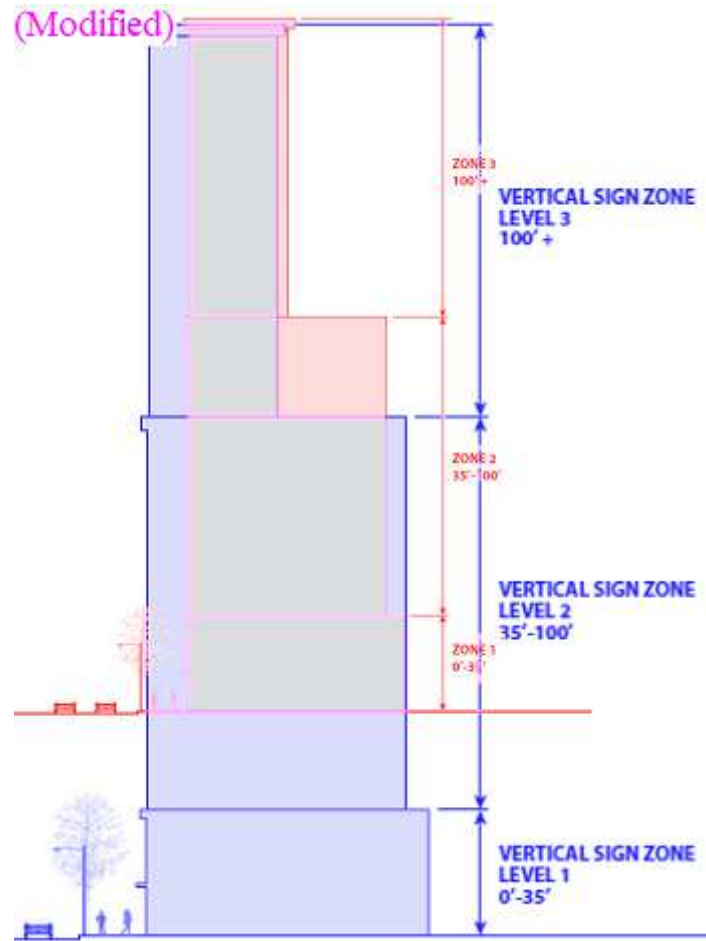
**Zone 3:** ~~This zone is applicable to all signs located at the upper levels of mid- to high-rise buildings, defined as 100 feet or more above grade.~~

**Zone 1:** This zone includes all signs located at street level, defined as 0 feet to 35 feet above grade.

**Zone 2:** This zone includes all signs located at the podium or mid-level of multi-story buildings, defined as 35 feet to 100 feet above grade.

**Zone 3:** This zone includes all signs located at the upper levels of mid- to high-rise buildings, defined as 100 feet or more above grade.

**Figure 2. Vertical Sign Zones.**



- C. **Signs Within More Than One ~~Subarea or~~ Vertical Sign Zone.** Signs may be located in more than one ~~Subarea or~~ Vertical Sign Zone, provided that the requirements ~~contained in~~ of this Ordinance are met for each portion of the sign contained in each of the ~~Subareas or~~ Vertical Sign Zones. ~~In~~ Notwithstanding the foregoing, any Approved Sign that is also a Supergraphic Sign or a Digital Display that is located in both Vertical Sign Zone 1 and Vertical Sign Zone 2 shall only be subject to the requirements for signs located in Vertical Sign Zone 2, provided that in no event shall the ~~total sign area of an individual sign exceed the maximum permitted area in the most restrictive Subarea or Vertical Sign Zone in which the sign is located~~ bottom of any such Approved Sign be less than 28 feet above grade.
- D. **Permitted Sign Types by Location.** The location of signage within the Sign District is subject to standards identified in ~~Section 8-~~ (Standards for Specific Types of Signs) of this Ordinance and Code Section 14.4.4.C (Prohibited Locations). In addition, sign types identified in this Ordinance shall be permitted in the following ~~vertical sign zones~~ Vertical Sign Zones identified for ~~Subarea A, as exhibited~~ each subarea, as set forth in the following table:

<del>SIGN TYPES</del>	<u>SUBAREAS / VERTICAL SIGN ZONES</u>			
<u>SIGN TYPES</u>	<u>Subarea A</u>	<u>Subarea B</u>	<u>Subarea C</u>	<u>Subarea D</u>
Monument/ <del>Pillar</del> Signs	<u>1</u>	<u>1</u>	<u>1</u>	1
Projecting Signs	<u>1, 2</u>	<u>1, 2</u>	<u>1, 2</u>	<del>1, 2</del> <u>1, 2</u>
Wall Signs <small>Signs (*only Identification Signs allowed in Zone 3)</small>	<u>1, 3*</u>	<u>1, 3*</u>	<u>1, 3*</u>	<del>1, 3</del> <u>1, 3*</u>
Supergraphic Signs	<u>1, 2</u>	<u>Prohibited</u>	<u>Prohibited</u>	<del>2</del> <u>Prohibited</u>
Digital Displays	<u>1, 2</u>	<u>Prohibited</u>	<u>Prohibited</u>	<del>2</del> <u>Prohibited</u>
Integral Large-Scale Architectural Lighting	<u>1, 2, 3</u>	<u>1, 2, 3</u>	<u>1, 2, 3</u>	<del>1, 2, 3</del> <u>1, 2, 3</u>

~~No~~ Except as authorized by this Ordinance, no sign shall be placed over the exterior surface of any opening of a building, including its operable windows, doors, ~~and~~ vents, or other opening that serve the occupants of a building unless the Los Angeles Fire Department ("LAFD") determines that the sign would not create a hazardous condition.

## SECTION 8 ~~SECTION 8-~~ STANDARDS FOR SPECIFIC TYPES OF SIGNS.

### A. Monument/Pillar Signs.

1. **Sign Area.** The sign area of Monument/Pillar Signs shall not exceed 1.5 square feet per foot of street frontage. Each individual Monument/Pillar Sign shall not exceed a maximum of ~~75~~ 150 square feet for the sign face visible to the same direction of traffic. Monument/Pillar Signs may be incorporated with landscape walls and other architectural elements. The individual sign area of a Monument Sign is measured based on the area

containing signage, and does not include any adjacent or attached landscape or architectural elements.

2. **Height.** Monument/Pillar Signs shall be limited to a maximum overall height of 10 feet.
3. **Location.** Monument/Pillar Signs shall be located a minimum of 7.5 feet from any interior lot line and a minimum of 15 feet from any other Monument/Pillar Sign or Projecting Sign. The location of the sign shall not interfere with or present a hazard to pedestrian or vehicular traffic.
4. **Design.** Monument/Pillar Signs may be double sided.

#### **B. Projecting Signs.**

1. **Sign Area.** The sign area of Projecting Signs shall not exceed 1.5 square feet per foot of street frontage. Each individual sign shall be limited to a maximum sign area of 300 square feet for one face and 600 feet for all faces combined.
2. **Height.** A Projecting Sign shall not be located lower than 8 feet above finished grade directly below the sign face or structure and shall not extend above the top of the wall.
3. **Location.** Projecting Signs shall be located a minimum of 7.5 feet from any interior lot line and a minimum of 3 feet from any other sign. The plane of the sign face of a Projecting Sign shall be within 15 degrees of being perpendicular to the face of the building, except at the corner of the building.
4. **Design.**
  - a. A Projecting Sign shall align with major building elements such as cornices, string courses, window banding, or vertical changes in material or texture. Projecting Signs may be double-sided.
  - b. The width of the sign face of a Projecting Sign that is perpendicular to the building shall not exceed four feet. This measurement shall not include the dimensions of the sign's supporting structure.
  - c. No portion of the Projecting Sign that is parallel to the face of the building shall exceed two feet in width.
  - d. No portion of the Projecting Sign that is parallel to the face of the building shall contain any text, message, or logo.

#### **C. Wall Signs.** Wall Signs do not include Supergraphic Signs or Digital Displays.

1. **Sign Area.**

- a. **Vertical Sign Zone 1:** The sign area of Wall Signs shall not exceed 2 square feet per foot of street frontage. Each individual Wall Sign shall not exceed 150 square feet in area.
- b. **Vertical Sign Zone 2:** No Wall Signs are permitted.
- c. **Vertical Sign Zone 3:** Wall Signs located in Sign Zone 3 shall be Identification Signs only. ~~Identification signs shall comprise no more than 80 percent of the width of that portion of the building where the signs are attached.~~ Individual Identification Signs shall be limited to a maximum sign area of 800 square feet.

2. **Height.** Wall Signs shall not extend above the top of the wall of the building.

3. **Location.**

- a. **Vertical Sign Zone 3:** Each building is permitted one Identification Sign per building elevation. Identification Signs shall be located on a wall and shall not be located on a roof, including a sloping roof, and shall not obscure views out from the interior of the building.

4. **Design.**

- a. **Vertical Sign Zone 1:** Wall signs may include one separate custom-shaped Can Sign component for tenant logos, which shall not exceed 30% of the allowable wall sign area per tenant. The component shall not be separately counted against the total maximum number of wall signs for each tenant.
- b. **Vertical Sign Zone 3:** Identification Signs are encouraged to meet the following guidelines:
  - i. The use of symbols or logos, rather than names or words, is encouraged.
  - ii. Identification Signs should be integrated into the architectural design of the building.
  - iii. Identification Signs should be designed to be easily changed over time, in order to accommodate new tenants.
  - iv. Identification signs should be designed to preserve outward views.
  - v. Nighttime lighting of Identification Signs, as well as of distinctive building tops, is encouraged and the two should be integrated. Lighting of Identification Signs should

include backlighting that creates a “halo” around the ~~Skylight Sign~~sign. Backlighting may be combined with other types of lighting.

- vi. Identification signs should be designed so as to present internally consistent and internally proportionate sign copy and shall utilize lettering size and styles which are generally uniform, in order that all words or names within the sign are not of a significantly different scale than the rest of the sign copy.

#### D. Supergraphic Signs.

1. **Sign Area.** The total combined area of Supergraphic Signs in ~~Subarea A~~the Sign District shall not exceed ~~15,200~~10,550 square feet in area. An individual Supergraphic Sign shall be at least 800 square feet in area, and shall not exceed ~~5,500~~4,600 square feet in area. ~~The written message, including logos, shall not exceed 25% of the total area of the sign. Depiction of any logo or text shall be counted as text.~~
2. **Height.** Supergraphic Signs shall not extend above the top of the wall of a building.
3. **Location.** Supergraphic Signs are ~~prohibited outside of~~only permitted in Subarea A in Vertical Sign Zone 1 and Vertical Sign Zone 2, provided that in no event shall the bottom of any Supergraphic Sign be less than 28 feet above grade. A maximum of ~~four~~three (43) Supergraphic Signs shall be permitted in Subarea A.
4. **Design.** A Supergraphic Sign that is comprised of vinyl or other material may be attached to a wall with an adhesive approved by ~~the Fire Department~~LAFD or by mechanical means approved by LADBS. The exposed face of a Supergraphic Sign shall be approximately parallel to the plane of the wall upon which it is located.
5. ~~**Illumination.** All lighting for a Supergraphic Sign shall be non-operational between the hours of midnight and 7:00 a.m.~~
6. ~~**Building Occupancy.** Supergraphics shall not be installed until such time as a Certificate of Occupancy has been issued for the building on which it is placed. Supergraphics shall not be permitted prior to the development of a minimum of 500,000 square feet of floor area within Subarea A.~~
7. ~~**Off-Site Signs.** No building permit shall be issued for any Supergraphic Sign displaying offsite content prior to approval of a sign reduction plan and Project Permit Compliance Review, pursuant to the terms and sign reduction ratios of Section 9, Sign Reduction.~~
8. ~~**Metro/Convention Center.** Each Supergraphic Sign shall dedicate a minimum of 20% of each individual Supergraphic Sign, or the collective area representing 20% of the total area of Supergraphic Signs installed within Subarea A, for equal use by the Los Angeles Convention Center (LACC) and Metro.~~



~~Documentation shall be submitted in the form of agreements with LACC and Metro which detail the amount of time and the specific messaging advertised on the Supergraphic Signs to demonstrate compliance with this obligation.~~

**E. Digital Displays.**

1. **Sign Area.** The total combined area of Digital Displays in ~~Subarea A~~the Sign District shall not exceed ~~12,100~~16,750 square feet in area. An individual Digital Display shall not exceed ~~10,750~~15,100 square feet in area. ~~No building permit shall be issued for a new Digital Display prior to approval of a sign reduction plan and Project Permit Compliance Review, pursuant to the terms of Section 9, Sign Reduction.~~
2. **Height.** Digital Displays shall not extend above the top of the wall of a building.
3. **Location.** Digital Displays are ~~prohibited outside of~~only permitted in Subarea A in Vertical Sign Zone 1 and Vertical Sign Zone 2, provided that in no event shall the bottom of any Digital Display be less than 28 feet above grade. A maximum of two (2) Digital Displays shall be permitted in Subarea A, and shall be limited to the following locations:
  - a. One 15,100-square-foot Digital Display located entirely within Vertical Sign Zone 2 along S. Figueroa Street and ~~along~~wrapping around the corner of Figueroa Street and at W. Pico Boulevard, as shown in Exhibit 4 and extending east on W. Pico Boulevard; and
  - b. ~~. No Digital Displays are otherwise permitted along Pico Boulevard or Flower Street, unless the Digital Display is exclusively utilized to provide public transit-related information for Metro, DASH, or other public transit agencies.~~One 1,650-square-foot Digital Display located along S. Flower Street and within Vertical Sign Zone 1 and Vertical Sign Zone 2. This Digital Display shall be subject to Controlled Refresh Rate 1.
4. **Design.** Digital Displays shall use grid lights, cathode ray projections, light emitting diode displays, plasma screens, liquid crystal displays, fiber optics, or other electronic media or technology to be developed.
5. **Illumination.** Digital Displays shall be subject to the applicable illumination standards ~~under Section 6. Standard Regulations of this Ordinance.~~set forth herein.
6. **Animation.** Digital Displays facing S. Figueroa Street and W. Pico Boulevard are permitted to be Animated Signs and shall have no restriction on hours of operation. Digital Displays facing S. Flower Street shall have no restriction on hours of operation, but shall not be Animated Signs. Digital Displays facing S. Flower Street shall be subject to Controlled Refresh Rate 1.

## **6. Refresh Rates**

- a. ~~Digital Displays along Figueroa Street shall be subject to the Controlled Refresh Rate 1.~~
- b. ~~All Digital Displays shall be non-operational between the hours of midnight and 7:00 a.m.~~

**7. Building Occupancy.** ~~Digital Displays shall not be operational until such time as a Certificate of Occupancy has been issued for the building on which it is placed. Digital Displays shall not be permitted prior to the development of a minimum of 500,000 square feet of floor area within Subarea A.~~

**8. Off-Site Signs.** ~~No building permit shall be issued for any Digital Display displaying off-site content prior to approval of a sign reduction plan and Project Permit Compliance Review, pursuant to the terms and sign reduction ratios of Section 9, Sign Reduction.~~

**9. Metro/Convention Center.** ~~Each Digital Display shall make available for use by the Los Angeles Convention Center (LACC) and Metro, no less than three (3) minutes per hour, to LACC and Metro each, for each Digital Display during hours of signage operation at no cost to LACC and Metro. The time on the 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 the Refresh Rate). Documentation in the form of agreements with LACC and Metro shall be submitted which detail the amount of time and the specific messaging advertised on the Supergraphic Signs to demonstrate compliance with this obligation.~~

## **F. Integral Large-Scale Architectural Lighting.**

1. **Sign Area.** Integral Large-Scale Architectural Lighting shall be exempt from sign area. ~~Large-Scale calculations.~~ Large-Scale Architectural Lighting that acts to extend a sign image background over a larger architectural area shall be included in the calculation of sign area.
2. **Height.** Integral Large-Scale Architectural Lighting is permitted in all Vertical Sign Zones.
3. **Location.** Integral Large-Scale Architectural Lighting is permitted in ~~Subarea A~~ all Subareas.
4. **Design.** Integral Large-Scale Architectural Lighting shall contain no text, logos, messages, or images of any kind, and shall serve only to highlight or accentuate vertical, horizontal, or other elements of the structure.
5. **Illumination.** Integral Large-Scale Architectural Lighting may be multi-hued and may gently change hues in a slow, deliberate manner with a slow, drawn-out constant intensity, and may mark special seasons, weather, or events with unique color arrangements. At no time shall Integral Large-Scale Architectural Lighting flash, blink, scroll, move, or stream. Integral Large-Scale Architectural Lighting shall change hue no more than once every ten (10) minutes with no change in intensity and

be considered a non-animated lighting element. The Director of ~~Planning~~ shall place limits on illumination intensity and retain the right to impose additional conditions.

- G. Inflation Signs.** Inflation signs shall only be permitted in Subarea A. An Inflation sign is a Temporary Sign. An Inflation Sign shall be equipped with a rapid deflation device acceptable to LADBS. Inflation Signs may be attached to a building, but may not cover doors, vents, rescue windows, or other openings that serve occupants of the building. Inflation Signs shall not contain any text message except the name of the business or event for which it is displayed.

## **SECTION 9** ~~SECTION 9. SIGN REDUCTION~~INTERPRETATION.

Whenever any ambiguity or uncertainty exists related to this Sign District or the application of this Sign District so that it is difficult to determine the precise application of these provisions, the Director shall, upon request by an owner, operator or lessee, issue a written interpretation on the requirements of this Sign District consistent with the intent and purposes described in the Recitals and in Section 2 (Purposes) of this Ordinance.

~~Sign reduction is required for all signs displaying off-site advertising content. An applicant shall seek approval of a sign reduction plan by filing an application with the Director pursuant to Section 11.5.7 of the Code. The application shall demonstrate compliance with the following requirements:~~

~~**A. Removal of Off-Site Signage.** A property owner in Subarea A shall be permitted to install Off-Site Signs only if the property owner demonstrates the removal of existing, legally permitted Off-Site Signs, including nonconforming Off-Site Signs, in existence as of the effective date of the ordinance establishing the Sign District, that are removed from any other property located within the sign impact area (the Central City, Westlake, South East Los Angeles, and South Los Angeles Community Plan areas), based upon the following sign reduction ratios:~~

- ~~1. **Supergraphic:** Each square foot of sign area of a new Supergraphic shall be offset by a reduction of a minimum of one (1) square foot of Off-Site Sign area.~~
- ~~2. **Digital Displays:** Each square foot of sign area of a new Digital Display shall be offset by a reduction of a minimum of two (2) square feet of Off-Site Sign area.~~

~~**B. Proof of Legal Status, Removal Rights and Indemnification.** Sign reduction credits shall not be awarded unless the applicant submits the following with the application form:~~

- ~~1. **Valid Building Permit.** A valid building permit demonstrating that the sign to be removed constitutes a legal use.~~
- ~~2. **Property Owner's Statement.** A written statement from the owner of the property from which the sign(s) will be removed attesting that the owner has the legal right to remove the sign at issue and agrees that if sign credits are issued, then once removed the sign(s) at issue may not be reinstalled. This written statement must be signed under penalty of perjury and notarized.~~

~~3. **Indemnification.**—An executed agreement from the applicant promising to defend and indemnify the City against any and all legal challenges filed by a third party relating to the removal of the sign(s).~~

~~**C. Proof of sign removal.**—The applicant shall submit a final demolition permit and photographic evidence that the signs in question have been removed prior to the issuance of any new building permit for an Off-Site Sign.~~

~~**D. Transfer of rights.**—Sign credits awarded pursuant to this section shall not be used to install signs on any property outside of this District, or in violation of the requirements of this Ordinance. Under no circumstances shall the removal of one sign result in the issuance of more than one credit.~~

**SECTION 10 ~~SECTION 10.~~ SEVERABILITY.**

If any provision of this Ordinance or its application to any person or circumstance is held to be unconstitutional or otherwise invalid by any court of competent jurisdiction, the invalidity shall not affect other provisions, clauses or applications of said ordinance which can be implemented without the invalid provision, clause or application, and to this end the provisions and clauses of this Ordinance are declared to be severable.

EXHIBIT 1

SUBAREA A APPROVED SIGNS

EXHIBIT B-2

MODIFIED SD ORDINANCE

**ORDINANCE NO. \_\_\_\_\_**

An Ordinance establishing the Figueroa and Pico Sign District (Sign District) pursuant to the provisions of Sections 13.11 and 12.32.S of the Los Angeles Municipal Code (Code) and Section 558 of the Los Angeles Charter (Charter).

**WHEREAS**, the Figueroa and Pico Sign District will be located in the Downtown Center, where the General Plan Framework calls for the continuation and expansion of commercial, residential, transportation, entertainment, and visitor-serving functions that distinguish and uniquely identify the Downtown Center;

**WHEREAS**, the Sign District is located directly across S. Figueroa Street from the Los Angeles Convention Center (LACC), near the Staples Center and LA Live, adjacent to rail transit, and in proximity to several hotels and entertainment venues where unique sign regulations are required to accommodate the convention, entertainment, community, and business character of the properties in and around the Sign District;

**WHEREAS**, the Sign District is adjacent to the area subject to the existing Los Angeles Sports and Entertainment District (LASED) Specific Plan, which includes creative, animated and other extensive signage rights for properties within the LASED, and development within the LASED has served as a catalyst for investment in the Central City as a key destination for business, entertainment, and cultural activities;

**WHEREAS**, additional urban infill and redevelopment, including hotels, convention center, multi-family residential, commercial and retail uses, and infrastructure projects on and around S. Figueroa Street continue to transform the South Park neighborhood into a vibrant area comprised of world-class entertainment venues, creative signage, expanded convention facilities, regional attractions, and residential uses with a distinct demographic and aesthetic identity;

**WHEREAS**, the Sign District will foster a vibrant urban environment with a unified aesthetic and sense of identity, by setting standards for uniform signage design, providing well-planned placement of signage with consideration for surrounding uses, while also providing functional way-finding and building identification along streets, thereby connecting regional transit, entertainment, and LACC areas.

**WHEREAS**, the Sign District includes the Fig+Pico Conference Center Hotels, which are designed to serve the LACC and the hotel needs of the City, and require unique digital displays and vibrant signage to be consistent with the adjacent LASED and further evolve the physical and aesthetic identity of the area for residents, visitors, and businesses in the Central City area and to further promote the entertainment character of the Sign District and surrounding areas;

**WHEREAS**, the permitting of off-site signs and digital displays at the Fig+Pico Conference Center Hotels will directly advance the purposes of improving the aesthetics of the area by carefully regulating the placement and design of such signs; and

**WHEREAS**, on June 17, 2016 the City Council initiated the Sign District pursuant to its legislative powers in Section 558 of the Charter and instructed the Department of City Planning to implement the process to create a sign district that establishes a unique identity between the LACC, LASED, the Fig+Pico Conference Center Hotels, the South Park community, on City-owned and private parcels that comprise the Sign District boundary described in this Ordinance;

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

**Sign District Boundary**





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## **FIGURES**

FIGURE 1 ( SIGN DISTRICT SUBAREAS)

FIGURE 2 (VERTICAL SIGN ZONES)

## **EXHIBIT**

EXHIBIT 1 (SUBAREA A APPROVED SIGNS)

## **SECTION 1 ESTABLISHMENT OF THE FIGUEROA AND PICO SIGN DISTRICT.**

The City Council hereby establishes the Figueroa and Pico Sign District (Sign District), which shall be applicable to that area of the City shown within the heavy dashed line on Figure 1 (Sign District Subareas), comprising approximately 4.35 acres, generally located along S. Figueroa Street, W. Pico Boulevard and S. Flower Street including without limitation those properties located at 1240-1260 S. Figueroa Street and 601 W. Pico Boulevard (APNs 5138-025-014, 5138-025-017, 5138-025-016, and 5138-025-900), 1300 S. Figueroa Street, 535 W. Pico Boulevard, 520-638 W. Pico Boulevard, 1220-1308 S. Flower Street, & 1309-1315 S. Flower Street (APNs 5134010004, 5134-010-023, 5134-011-026, 5134-011-027, 5134-011-028, 5138-026-011, 5138-026-016, 5138-026-017, 5138-026-020, 5138-026-028, 5138-026-036 and 5138-025-910).

## **SECTION 2 PURPOSES**

The Sign District is intended to:

- A. Support and enhance the land uses and urban design objectives of the Central City Community Plan, the LASED and South Park district;
- B. Create a unique and recognizable identity consistent with the adjacent LASED through creative signage elements, to draw visitors to the South Park area to benefit the local economy and reduce lingering blight;
- C. Permit a variety of signage elements to allow for creativity and flexibility in design over time;
- D. Ensure that new Off-Site Signs, Digital Displays, and Supergraphic Signs are responsive to and integrated with the aesthetic character of the structures on which they are located;
- E. Protect adjacent residential uses from potential adverse impacts by concentrating signage away from residential areas, and setting standards for signage numbers, size, illumination, and sign motion/animation; and
- F. Coordinate the location, type and display of signs with the adjacent LASED so as to enhance the pedestrian realm, minimize potential traffic hazards, protect public safety, and maintain compatibility with surrounding uses.

## **SECTION 3 APPLICATION OF SUPPLEMENTAL USE DISTRICT REGULATIONS.**

- A. This Ordinance as adopted, or as may be amended from time to time, regulates signs within the Sign District. The regulations of this Ordinance are in addition to those set forth in the planning and zoning provisions of the Code.
- B. As more specifically set forth in Section 6, wherever this Ordinance contains provisions that establish regulations for sign types, sign height, sign area, number of signs, sign approvals, issuance of permits for the installation and operation of signs, sign dimensions, sign illumination, sign content or other time, place or manner regulations that are different from, more restrictive than or more permissive than the Code would allow, this Ordinance shall prevail.

## SECTION 4 DEFINITIONS.

Whenever the following terms are used in this Ordinance, they shall be construed as defined in this Section. Notwithstanding Code Section 13.11, words and phrases not defined herein shall be construed as defined in Sections 12.03 and Article 4.4 of the Code.

**Aerial View Sign.** A sign that is applied or placed upon the roof surface, approximately parallel with the roof plane, intended to be viewed from the sky, An Aerial View Sign shall not be visible from any adjacent public right-of-way.

**Animated Sign.** A sign that contains images, parts or illumination which flash, change, move, stream, scroll, blink or otherwise incorporate motion.

**Approved Signs.** The signs identified on **Exhibit 1**, including any sign support structures and lighting relating to such signs and/or required for the operation of such signs, which shall be placed or installed in the approximate locations shown on the site plan in **Exhibit 1** and approved by the City Council pursuant to this Ordinance, as may be amended or modified from time to time subject to Director approval.

**Can Sign.** A wall sign whose text, logos and symbols are placed on the plastic face of an enclosed cabinet.

**Captive Balloon Sign.** Any object inflated with hot air or lighter-than-air gas that is tethered to the ground or a structure.

**Controlled Refresh Rate 1.** The controlled refresh rate is the rate at which a Digital Display may change content when such Digital Display is not an Animated Sign. Content changes on Digital Displays subject to Controlled Refresh Rate 1 shall be no more frequent than one refresh event every eight seconds with an instant transition between images. The sign image must remain static between refreshes.

**Digital Display.** A sign face, building face, and/or any building or structural component that displays still images, scrolling images, moving images, or flashing images, including video and animation through the use of grid lights, cathode ray projections, light emitting diode displays, plasma screens, liquid crystal displays, fiber optics, or other electronic media or technology that is either independent of or attached to, integrated into, or projected onto a building or structural component, and that may be changed remotely through electronic means.

**Identification Sign.** A wall sign that is limited to a company logo, generic type of business, or the name of a business or building.

**Inflatable Sign.** An object that is inflated with cold air, hot air, helium or lighter-than-air substance. It may be of various shapes, made of flexible fabric, and may be equipped with a portable blower motor that provides constant flow of air into the device. Inflatable Signs are restrained, attached, or held in place by a cord, rope, cable or similar method.

**Integral Large-Scale Architectural Lighting.** Large-Scale Architectural Lighting that (1) is attached directly to and made integral with architectural elements on the facade of a building and (2) contains individual pixels of a digital light source that are embedded into architectural components separated vertically or horizontally from one another, and are of

a design that allows outward views from and within the supportive structure. Such a design may include low resolution digital mesh or netting, individual large scale pixels covering a building wall diffused behind translucent material, or horizontal or vertical LED banding integrated into the spandrels or louvers of a building's architecture.

**Interior Sign.** A sign, having no sign face visible from any public right-of-way.

**Large-Scale Architectural Lighting.** Lighting elements placed on a significant portion of a building's facade to highlight or accentuate vertical, horizontal, or other elements of the structure's architecture.

**Monument Sign.** A freestanding sign, consisting of rectangular sign faces or a sculptural themed shape, which is erected directly upon the existing or artificially created grade and not on any visible poles or posts.

**Off-Site Sign.** A sign that displays any message directing attention to a business, product, service, profession, commodity, activity, event, person, institution or any other commercial message, which is generally conducted, sold, manufactured, produced, or offered or occurs elsewhere than within the boundaries of the Sign District. For purposes of the sign regulations in this Ordinance, signage located within the Sign District that displays any message for the adjacent LACC, including any message relating to events occurring at the LACC, or transit information for Los Angeles County Metropolitan Transportation Authority (Metro) shall not be considered Off-Site Signs.

**On-Site Sign.** A sign that is other than an Off-Site Sign.

**Projecting Sign.** A sign, other than a wall sign, that is attached to a building and projects outward from the building with one or more sign faces approximately perpendicular to the face of the building.

**Sandwich Board Signs.** A portable sign consisting of two sign faces that connect at the top and extend outward at the bottom of the sign and for which a building permit is required.

**Sign, Legally Existing.** A sign authorized by all necessary permits.

**Supergraphic Sign.** A sign that consists of an image, with or without written text, which is applied to and made integral with a wall, projected onto a wall, illuminated by LED or other pixilated lighting where permitted, or printed on vinyl, mesh, window film, or other material supported and attached to a wall or window by an adhesive and/or by using stranded cable and eye-bolts and/or other materials or methods.

**Temporary Sign.** Any sign that is to be maintained for a limited duration, not to exceed 60 days, and not to exceed a total of 90 days per year on a single building façade, and which is not permanently affixed to the ground, a building or structure. Temporary Signs include Inflatable Signs.

**Wall Sign.** Any sign attached to, painted on or erected against the wall of a building or structure, with the exposed face of the sign in a plane approximately parallel to the plane of the wall.

**Wayfinding Sign.** A pedestrian or auto oriented sign that indicates the route to, direction of or location of a given destination, or that provides regulatory or service information of a non-advertising character (including local and regional transit information), including messages giving directions, instructions, menu, selections, building names (including those buildings or areas whose names include the name of an individual or a sponsoring or corporate entity) or address numerals.

## **SECTION 5 PROCEDURAL REQUIREMENTS.**

- A. Building Permits.** The Los Angeles Department of Building and Safety (LADBS) shall not issue a permit for a sign, a sign structure, sign illumination, or alteration of an existing sign within the Sign District unless the sign complies with (1) the requirements of this Ordinance as determined by the Director of Planning (Director) and (2) applicable requirements of the Code.
- B. Application.** An applicant requesting review of one or multiple signs for conformity with this Ordinance or, if required hereby, a Project Permit Compliance or modification thereto, a Project Permit Adjustment, or an exception to, or interpretation of, this Ordinance, shall submit the following to the Director (for signs subject to Project Permit Compliance or a modification thereto, the applicant shall also submit the items specified in Section 11.5.7.B.2(a) of the Code).
1. Three copies of the sign plan drawn to scale, showing the type, height, placement, lettering styles, materials, colors and lighting methods and specifying the Subarea and Vertical Sign Zone(s) for the proposed sign(s), which shall reflect conformity with the requirements specified for such sign in this Ordinance and applicable provisions of the Code.
  2. A graphic depiction of the location(s) of the sign(s) on the conceptual sign drawings.
  3. A scaled plot plan showing the location and size of all existing and proposed signs.
- C. Director Sign-Off Required.** With respect to the following signs, only a ministerial Director sign-off on the permit application shall be required prior to the issuance by LADBS of a building permit. Upon making the findings set forth in Section 5.D, below, the Director shall stamp, sign and date the permit application plans for:
1. Approved Signs
  2. Identification Signs
  3. Monument Signs
  4. Projecting Signs
  5. Wall Signs.
- D. Procedure for Director Sign-Off.** An applicant for any sign described in Section 5.C, above, shall submit the materials described in Section 5.B, above, to the Director. The Director shall approve the application and authorize the issuance of building permits for a sign described in Section 5.C, above, after making the following findings:

1. The applicant has submitted all of the materials required in Section 5.B, above.
2. The proposed sign complies with the applicable regulations in this Sign District and the Code.
3. In the case of an Approved Sign, the location, type and size of such Approved Sign is in substantial conformance with Exhibit 1 hereto.
4. There are no outstanding orders to comply with respect to other signs on the same property where the proposed sign is to be erected.
5. If the requested sign is approved, the total allowable signage within the applicable Subarea will not be exceeded.

The Director shall approve or disapprove the request within 30 days of the date the application is submitted to the Director. If the Director disapproves a sign listed in Section 5.C, above, the Director shall notify the applicant in writing of the specific provisions of this Ordinance or the Code with which the proposed sign does not comply. Otherwise, the Director shall timely approve all requests for signs listed in Section 5.C, above, upon making the required findings set forth in this Section 5.D. The Director shall also have the authority to approve modifications to any signs listed in Section 5.C, above.

**E. Exempt Signs.** The following sign types shall be subject to LADBS review, based on the applicable requirements of this Ordinance and the Code, but are exempt from Director's review and do not require a Director's permit sign-off:

1. Information Signs
2. Interior Signs
3. Original Art Murals
4. Public Art Installations
5. Temporary Signs
6. Window Signs
7. Wayfinding Signs.

**F. Project Permit Compliance.** Except for Approved Signs (for which Project Permit Compliance approval is not required), LADBS shall not issue a permit for the following signs or lighting unless and until the Director has issued a Project Permit Compliance approval pursuant to the procedures set forth in Section 11.5.7 of the Code:

1. Aerial View Signs
2. Animated Signs
3. Digital Displays
4. Integral Large-Scale Architectural Lighting
5. Supergraphic Signs
6. Off-Site Signs.

- G. Request for Deviations from Regulations.** The procedures for adjustments, exceptions, amendments and interpretations to this Ordinance shall follow the procedures set forth in Section 11.5.7.E-H of the Code.

## **SECTION 6 GENERAL REQUIREMENTS.**

- A. General Requirements of Code.** The intent of this Ordinance is to create a sign district with dynamic, animated and creative signage, including signs that are not otherwise permitted by the Code. Except as otherwise expressly provided herein, Code Sections 91.6205.6.1, 91.6205.6.2, 91.6205.11.2, 91.6205.11.4, 91.6205.11.7, 91.6205.11.8, 91.6205.12, 91.6205.13, 91.6207-91.6215, 91.6216.2, 91.6216.3, 91.6217-91.6219, 28.10, 28.11, 28.15, 67.02(a), and 67.29 are preempted and superseded by this Ordinance. For signs within the Sign District, the provisions of this Ordinance shall preempt and supersede the regulations in Code Sections 14.4.1, et seq., and 91.6201, et seq., relating to sign height, sign area, sign type and sign location. A building permit shall be obtained from LADBS in accordance with the applicable provisions of the Code for all signs, sign structures and/or alterations to existing signs, other than changes to or replacement of sign face copy.
- B. Permitted Signs.** Except as otherwise prohibited in *Subsection 6.C (Prohibited Signs)* below, all signs described and regulated in *Section 8 (Standards for Specific Types of Signs)* of this Ordinance and all signs otherwise permitted by the Code shall be permitted within the Sign District.
- C. Prohibited Signs.** The following signs shall be prohibited:
1. Can Sign (except as permitted by *Section 8.C (Wall Signs)*)
  2. Captive Balloon Sign
  3. Illuminated Architectural Canopy Sign
  4. Inflatable Device
  5. Roof Sign
  6. Sandwich Board Sign
- D. Approved Signs.** This Ordinance permits and authorizes the construction, operation and use of the Approved Signs without further discretionary action, subject only to the ministerial sign-off by the Director as set forth in *Section 5.C (Director Sign-Off Required)*.
- E. On-Site and Off-Site Signs.** Notwithstanding any other provision of the Code or this Ordinance, any sign within Subarea A may be either an On-Site Sign or Off-Site Sign. This Ordinance governs only aspects of signs that are Off-Site Signs within Subarea A.
- F. Interior Signs.** Interior Signs may be any sign type, except for prohibited signs listed in *Subsection 6.C (Prohibited Signs)* and shall not be subject to the applicable requirements of this Ordinance or the Code.
- G. Illumination Requirements for Signs Located in Subarea A.** The provisions of *Section 6.H (Illumination Requirements for Signs Outside of Subarea A)* of this Ordinance shall not apply to signs located within Subarea A. All signs within



Subarea A may be illuminated. Such signs may be illuminated by either internal or external means. Methods of signage illumination may include, but are not limited to: electric lamps, such as neon tubes; fiber optic; incandescent lamps; cathode ray tube exposed directly to view; shielded spot light and wall wash fixtures. All illuminated signs within Subarea A shall be designed, located or screened so as to limit, to the extent feasible, direct light sources onto any residential unit that is located outside of the Sign District and/or the LASED. Notwithstanding anything to the contrary herein or in the Code, the following illumination standards shall apply to all signs within Subarea A, including Approved Signs:

1. All illuminated signs shall have a nighttime luminance no greater than 500 candelas per square meter (cd/m<sup>2</sup>) and a daytime luminance no greater than 6,000 cd/m<sup>2</sup>. The signs shall transition smoothly at a consistent rate from the permitted daytime luminance to the permitted nighttime luminance levels, beginning 45 minutes prior to sunset and concluding 45 minutes after sunset. After sunrise signs will transition smoothly from the night time maximum luminance of 500 cd/m<sup>2</sup> for 45 minutes, up to the maximum permitted daytime luminance.
2. Illuminated signs that have the potential to exceed 500 cd/m<sup>2</sup> shall include an electronic control mechanism to reduce sign luminance to 500 cd/m<sup>2</sup> at any time when ambient sunlight is less than 100 footcandles.
3. Externally illuminated signs shall incorporate design elements to limit the direct view of the light source surface at all exterior light fixtures to ensure that the light source cannot be seen from adjacent residential-zoned properties.
4. Each Digital Display shall be fully dimmable and shall be controlled by a programmable timer and photocell to adjust the sign luminance according to the time of day and ambient light conditions.
5. All light emitting diodes used within a Digital Display shall have a maximum horizontal beam spread of 165 degrees and a maximum vertical beam spread of 65 degrees. All light emitting diodes shall be oriented down towards the street.
6. Any external sign illumination will be directed onto the signage itself and not onto any residential units located outside the Sign District.

#### **H. Illumination Requirements for Signs Outside of Subarea A.**

1. **Generally.** All signs within Subareas B, C and D may be illuminated by either internal or external means. Methods of signage illumination may include electric lamps, such as neon tubes; fiber optics; incandescent lamps; LED; LCD; cathode ray tubes exposed directly to view; shielded spot lights and wall wash fixtures. Except for signs within Subarea A, all illuminated signs shall be subject to the following regulations:

2. **Regulations.** All signs in Subareas B, C and D shall meet the following criteria with respect to illumination:
  - a. The intensity of each sign display shall be controlled with a photocell with an adjustable set-point that measures available daylight. This set-point shall be used to control the intensity of the Sign output to either the daytime or nighttime brightness standards set forth below in Paragraphs b through d.
  - b. The brightness of any sign that includes neon, neon-like or LED elements shall be fully dimmable and controlled by a timer, which shall be maintained in good working order.
  - c. All illuminated signs shall be designed, located and/or screened so as to minimize light travel onto the exterior walls of residential units and the public right-of-way. If signs are to be externally lit, the source of the external illumination shall be shielded from public view.
  - d. All light emitting diodes used within any illuminated sign shall have a maximum horizontal beam spread of 165 degrees. The maximum or peak light output of any Sign shall be at or below horizontal.

**I. Visual Maintenance.** All signs shall be maintained to meet the following criteria at all times:

1. The building and ground area around the signs shall be properly maintained. All unused mounting structures, hardware, and wall perforation from any abandoned sign shall be removed and building surfaces shall be restored to their original condition.
2. All signage copy shall be properly maintained and kept free from damage and other unsightly conditions, including graffiti.
3. All sign structures shall be kept in good repair and maintained in a safe and sound condition and in conformance with all applicable codes.
4. Razor wire, barbed wire, concertina wire, or other barriers preventing unauthorized access to any sign, if any, shall be hidden from public view.
5. The signage copy must be repaired or replaced immediately upon tearing, ripping, or peeling, or when marred or damaged by graffiti.
6. No access platform, ladder, or other service appurtenance, visible from the sidewalk, street, or public right-of-way, shall be installed or attached to any sign structure.
7. Existing signs that are no longer serving the current tenants, including support structures, shall be removed and the building façades originally

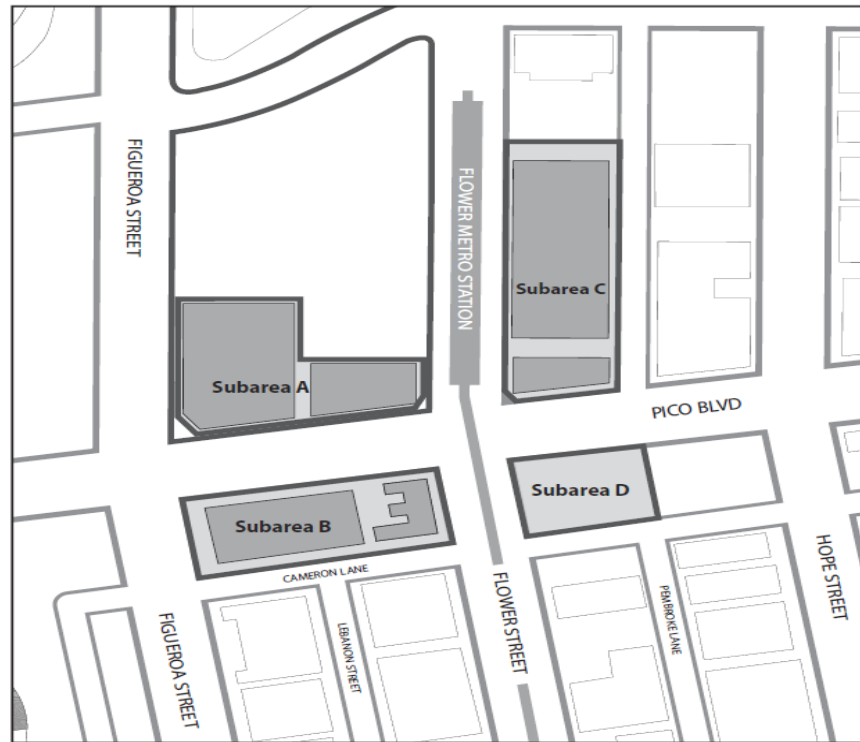
covered by the signs shall be repaired/resurfaced with materials and colors that are compatible with the facades.

- J. Hazard Review.** Signs that adhere to the regulations outlined in this Ordinance shall be exempted from hazard determination review procedures in the Code.
- K. Freeway Exposure.** Signs that adhere to the regulations outlined in this Ordinance shall be exempted from the freeway exposure regulations in the Code.
- L. Existing Signs.** Every existing sign and/or sign support structure constructed under a valid permit and used in conformance with the Code regulations and LADBS approvals in effect at the time of construction shall be allowed to continue to exist under those regulations and approvals even though subsequent adopted regulations and approvals have changed the requirements. There shall be no increase in sign area or height and no change in the location or orientation of any existing non-conforming sign. Before the issuance of a building permit for a new sign on a lot, LADBS shall verify that there are no open sign enforcement actions on the lot.
- M. Materials.** The materials, construction, application, location and installation of any sign shall be in conformance with the Los Angeles Building Code and the Los Angeles Fire Code.
- N. New Technologies.** The Director may permit the use of any technology or material that did not exist as of the effective date of this Ordinance, if the Director finds, in his reasonable discretion, that such technology or material is consistent with the regulations described herein.

## **SECTION 7 SUBAREAS AND VERTICAL SIGN ZONES.**

- A. Sign District Subareas.** The Sign District is divided into four subareas, as shown in **Figure 1**. The purpose of the subareas is to address the relationship between sign intensity and the uses surrounding each subarea, with more permissive signage allowed along the S. Figueroa Street and W. Pico Boulevard commercial corridors (Subareas A and B), and greater restrictions for the subareas zoned for residential purposes (Subareas C and D). Subarea A is the location of the Fig+Pico Conference Center Hotels, which will serve a key link between the Metro Pico station, the LACC and LASED. Signage within Subarea A is intended to be consistent with the signage permitted within the adjacent LASED and signs within Subarea A should include vibrant, animated Digital Displays that are integrated into the buildings and create visual continuity with the signage located within the LASED.

**Figure 1: Sign District Subareas**



**Subarea A.** Subarea A includes parcels with frontage on the east side of S. Figueroa Street, the north side of W. Pico Boulevard and the west side of S. Flower Street. Signs in Subarea A shall be in substantial conformance with **Exhibit 1**.

**Subarea B.** Subarea B includes parcels with frontage on the east side of Figueroa Street, the south side of W. Pico Boulevard and the west side of S. Flower Street.

**Subarea C.** Subarea C includes parcels with frontage on the north side of W. Pico Boulevard and the east side of S. Flower Street, directly adjacent to the Metro Pico Station.

**Subarea D.** Subarea D includes parcels with frontage on the south side of W. Pico Boulevard and the east side of S. Flower Street.

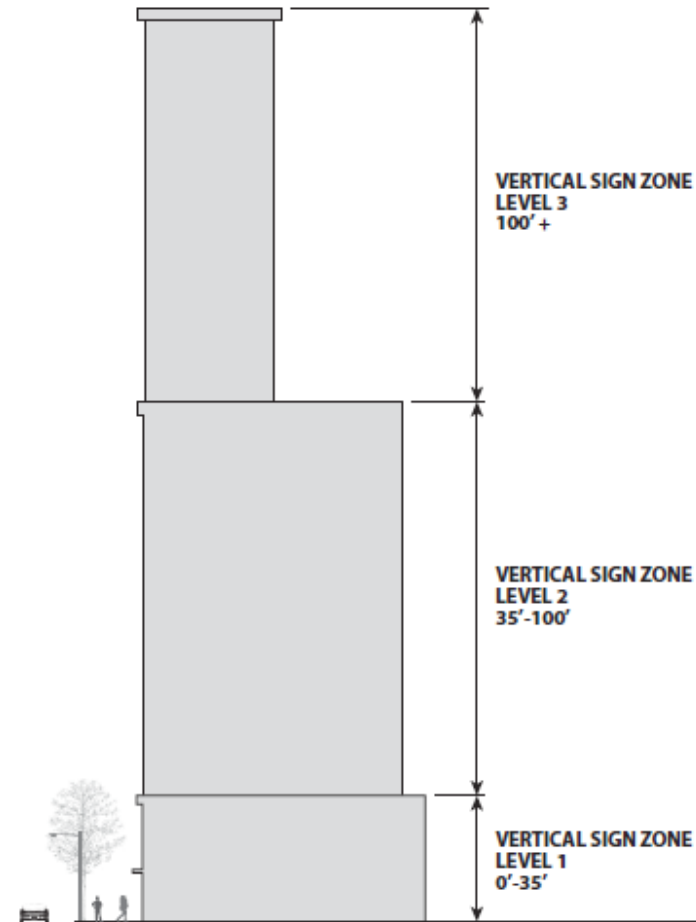
**B. Vertical Sign Zones.** All Sign District Subareas are divided into three Vertical Sign Zones, as shown in **Figure 2**. The purpose of the Vertical Sign Zones is to address different sign viewing distances, including pedestrian views from street level, pedestrian views from a distance, and views from vehicles.

**Zone 1:** This zone includes all signs located at street level, defined as 0 feet to 35 feet above grade.

**Zone 2:** This zone includes all signs located at the podium or mid-level of multi-story buildings, defined as 35 feet to 100 feet above grade.

**Zone 3:** This zone includes all signs located at the upper levels of mid- to high-rise buildings, defined as 100 feet or more above grade.

**Figure 2: Vertical Sign Zones**



- C. Signs Within More Than One Vertical Sign Zone.** Signs may be located in more than one Vertical Sign Zone, provided that the requirements of this Ordinance are met for each portion of the sign contained in each of the Vertical Sign Zones. Notwithstanding the foregoing, any Approved Sign that is also a Supergraphic Sign or a Digital Display that is located in both Vertical Sign Zone 1 and Vertical Sign Zone 2 shall only be subject to the requirements for signs located in Vertical Sign Zone 2, provided that in no event shall the bottom of any such Approved Sign be less than 28 feet above grade.
- D. Permitted Sign Types by Location.** The location of signage within the Sign District is subject to standards identified in *Section 8 (Standards for Specific Types of Signs)* of this Ordinance and Code Section 14.4.4.C (Prohibited Locations). In addition, sign types identified in this Ordinance shall be permitted in the following Vertical Sign Zones identified for each subarea, as set forth in the following table:

	SUBAREAS / VERTICAL SIGN ZONES			
SIGN TYPES	Subarea A	Subarea B	Subarea C	Subarea D
<b>Monument Signs</b>	1	1	1	1
<b>Projecting Signs</b>	1, 2	1, 2	1, 2	1, 2
<b>Wall Signs</b> (*only Identification Signs allowed in Zone 3)	1, 3*	1, 3*	1, 3*	1, 3*
<b>Supergraphic Signs</b>	1, 2	Prohibited	Prohibited	Prohibited
<b>Digital Displays</b>	1, 2	Prohibited	Prohibited	Prohibited
<b>Integral Large-Scale Architectural Lighting</b>	1, 2, 3	1, 2, 3	1, 2, 3	1, 2, 3

Except as authorized by this Ordinance, no sign shall be placed over the exterior surface of any opening of a building, including its operable windows, doors, vents or other opening that serve the occupants of a building unless the Los Angeles Fire Department (LAFD) determines that the sign would not create a hazardous condition.

## SECTION 8 STANDARDS FOR SPECIFIC TYPES OF SIGNS.

### A. Monument/Pillar Signs.

1. **Sign Area.** The sign area of Monument/Pillar Signs shall not exceed 1.5 square feet per foot of street frontage. Each individual Monument/Pillar Sign shall not exceed a maximum of 150 square feet for the sign face visible to the same direction of traffic. Monument/Pillar Signs may be incorporated with landscape walls and other architectural elements. The individual sign area of a Monument Sign is measured based on the area containing signage, and does not include any adjacent or attached landscape or architectural elements.
2. **Height.** Monument/Pillar Signs shall be limited to a maximum overall height of 10 feet.
3. **Location.** Monument/Pillar Signs shall be located a minimum of 7.5 feet from any interior lot line and a minimum of 15 feet from any other Monument/Pillar Sign or Projecting Sign. The location of the sign shall not interfere with or present a hazard to pedestrian or vehicular traffic.
4. **Design.** Monument/Pillar Signs may be double sided.

### B. Projecting Signs.

1. **Sign Area.** The sign area of Projecting Signs shall not exceed 1.5 square feet per foot of street frontage. Each individual sign shall be limited to a maximum sign area of 300 square feet for one face and 600 feet for all faces combined.

2. **Height.** A Projecting Sign shall not be located lower than 8 feet above finished grade directly below the sign face or structure and shall not extend above the top of the wall.
3. **Location.** Projecting Signs shall be located a minimum of 7.5 feet from any interior lot line and a minimum of 3 feet from any other sign. The plane of the sign face of a Projecting Sign shall be within 15 degrees of being perpendicular to the face of the building, except at the corner of the building.
4. **Design.**
  - a. A Projecting Sign shall align with major building elements such as cornices, string courses, window banding, or vertical changes in material or texture. Projecting Signs may be double-sided.
  - b. The width of the sign face of a Projecting Sign that is perpendicular to the building shall not exceed four feet. This measurement shall not include the dimensions of the sign's supporting structure.
  - c. No portion of the Projecting Sign that is parallel to the face of the building shall exceed two feet in width.
  - d. No portion of the Projecting Sign that is parallel to the face of the building shall contain any text, message, or logo.

**C. Wall Signs.** Wall Signs do not include Supergraphic Signs or Digital Displays.

1. **Sign Area.**
  - a. **Vertical Sign Zone 1:** The sign area of Wall Signs shall not exceed 2 square feet per foot of street frontage. Each individual Wall Sign shall not exceed 150 square feet in area.
  - b. **Vertical Sign Zone 2:** No Wall Signs are permitted.
  - c. **Vertical Sign Zone 3:** Wall Signs located in Sign Zone 3 shall be Identification Signs only. Individual Identification Signs shall be limited to a maximum sign area of 800 square feet.
2. **Height.** Wall Signs shall not extend above the top of the wall of the building.
3. **Location.**
  - a. **Vertical Sign Zone 3:** Each building is permitted one Identification Sign per building elevation. Identification Signs shall be located on a wall and shall not be located on a roof, including a sloping roof, and shall not obscure views out from the interior of the building.

4. **Design.**

- a. **Vertical Sign Zone 1:** Wall signs may include one separate custom-shaped Can Sign component for tenant logos, which shall not exceed 30% of the allowable wall sign area per tenant. The component shall not be separately counted against the total maximum number of wall signs for each tenant.
- b. **Vertical Sign Zone 3:** Identification Signs are encouraged to meet the following guidelines:
  - i. The use of symbols or logos, rather than names or words, is encouraged.
  - ii. Identification Signs should be integrated into the architectural design of the building.
  - iii. Identification Signs should be designed to be easily changed over time, in order to accommodate new tenants.
  - iv. Identification signs should be designed to preserve outward views.
  - v. Nighttime lighting of Identification Signs, as well as of distinctive building tops, is encouraged and the two should be integrated. Lighting of Identification Signs should include backlighting that creates a “halo” around the sign. Backlighting may be combined with other types of lighting.
  - vi. Identification signs should be designed so as to present internally consistent and internally proportionate sign copy and shall utilize lettering size and styles which are generally uniform, in order that all words or names within the sign are not of a significantly different scale than the rest of the sign copy.

**D. Supergraphic Signs.**

- 1. **Sign Area.** The total combined area of Supergraphic Signs in the Sign District shall not exceed 10,550 square feet in area. An individual Supergraphic Sign shall be at least 800 square feet in area, and shall not exceed 4,600 square feet in area.
- 2. **Height.** Supergraphic Signs shall not extend above the top of the wall of a building.
- 3. **Location.** Supergraphic Signs are only permitted in Subarea A in Vertical Sign Zone 1 and Vertical Sign Zone 2, provided that in no event shall the bottom of any Supergraphic Sign be less than 28 feet above grade. A maximum of three (3) Supergraphic Signs shall be permitted in Subarea A.



4. **Design.** A Supergraphic Sign that is comprised of vinyl or other material may be attached to a wall with an adhesive approved by LAFD or by mechanical means approved by LADBS. The exposed face of a Supergraphic Sign shall be approximately parallel to the plane of the wall upon which it is located.

#### **E. Digital Displays.**

1. **Sign Area.** The total combined area of Digital Displays in the Sign District shall not exceed 16,750 square feet in area. An individual Digital Display shall not exceed 15,100 square feet in area.
2. **Height.** Digital Displays shall not extend above the top of the wall of a building.
3. **Location.** Digital Displays are only permitted in Subarea A in Vertical Sign Zone 1 and Vertical Sign Zone 2, provided that in no event shall the bottom of any Digital Display be less than 28 feet above grade. A maximum of two (2) Digital Displays shall be permitted in Subarea A, and shall be limited to the following locations:
  - a. One 15,100-square-foot Digital Display located entirely within Vertical Sign Zone 2 along S. Figueroa Street and wrapping around the corner at W. Pico Boulevard and extending east on W. Pico Boulevard; and
  - b. One 1,650-square-foot Digital Display located along S. Flower Street and within Vertical Sign Zone 1 and Vertical Sign Zone 2. This Digital Display shall be subject to Controlled Refresh Rate 1.
4. **Design.** Digital Displays shall use grid lights, cathode ray projections, light emitting diode displays, plasma screens, liquid crystal displays, fiber optics, or other electronic media or technology to be developed.
5. **Illumination.** Digital Displays shall be subject to the applicable illumination standards set forth herein.
6. **Animation.** Digital Displays facing S. Figueroa Street and W. Pico Boulevard are permitted to be Animated Signs and shall have no restriction on hours of operation. Digital Displays facing S. Flower Street shall have no restriction on hours of operation, but shall not be Animated Signs. Digital Displays facing S. Flower Street shall be subject to Controlled Refresh Rate 1.

#### **F. Integral Large-Scale Architectural Lighting.**

1. **Sign Area.** Integral Large-Scale Architectural Lighting shall be exempt from sign area calculations. Large-Scale Architectural Lighting that acts to extend a sign image background over a larger architectural area shall be included in the calculation of sign area.

2. **Height.** Integral Large-Scale Architectural Lighting is permitted in all Vertical Sign Zones.
3. **Location.** Integral Large-Scale Architectural Lighting is permitted in all Subareas.
4. **Design.** Integral Large-Scale Architectural Lighting shall contain no text, logos, messages or images of any kind, and shall serve only to highlight or accentuate vertical, horizontal, or other elements of the structure.
5. **Illumination.** Integral Large-Scale Architectural Lighting may be multi-hued and may gently change hues in a slow, deliberate manner with a slow, drawn-out constant intensity, and may mark special seasons, weather or events with unique color arrangements. At no time shall Integral Large-Scale Architectural Lighting flash, blink, scroll, move or stream. Integral Large-Scale Architectural Lighting shall change hue no more than once every ten (10) minutes with no change in intensity and be considered a non-animated lighting element. The Director shall place limits on illumination intensity and retain the right to impose additional conditions.

- G. Inflatable Signs.** Inflatable signs shall only be permitted in Subarea A. An Inflatable sign is a Temporary Sign. An Inflatable Sign shall be equipped with a rapid deflation device acceptable to LADBS. Inflatable Signs may be attached to a building, but may not cover doors, vents, rescue windows, or other openings that serve occupants of the building. Inflatable Signs shall not contain any text message except the name of the business or event for which it is displayed.

## **SECTION 9 INTERPRETATION.**

Whenever any ambiguity or uncertainty exists related to this Sign District or the application of this Sign District so that it is difficult to determine the precise application of these provisions, the Director shall, upon request by an owner, operator or lessee, issue a written interpretation on the requirements of this Sign District consistent with the intent and purposes described in the Recitals and in *Section 2 (Purposes)* of this Ordinance.

## **SECTION 10 SEVERABILITY.**

If any provision of this Ordinance or its application to any person or circumstance is held to be unconstitutional or otherwise invalid by any court of competent jurisdiction, the invalidity shall not affect other provisions, clauses or applications of said ordinance which can be implemented without the invalid provision, clause or application, and to this end the provisions and clauses of this Ordinance are declared to be severable.

EXHIBIT 1

SUBAREA A APPROVED SIGNS

EXHIBIT 1 - SUB AREA "A"  
APPROVED SIGNS

I

IDENTIFICATION SIGN

P

PROJECTING SIGN

M

MONUMENT SIGN

MW

METRO WAYFINDING SIGN

D

DIGITAL DISPLAY SIGN

S

SUPERGRAPHIC

W

WALL SIGN

LIGHTSTONE

DTLA LLC

1240-1260 S. FIGUEROA ST. &  
601 W. PICO BLVD.  
LOS ANGELES, CA 90015

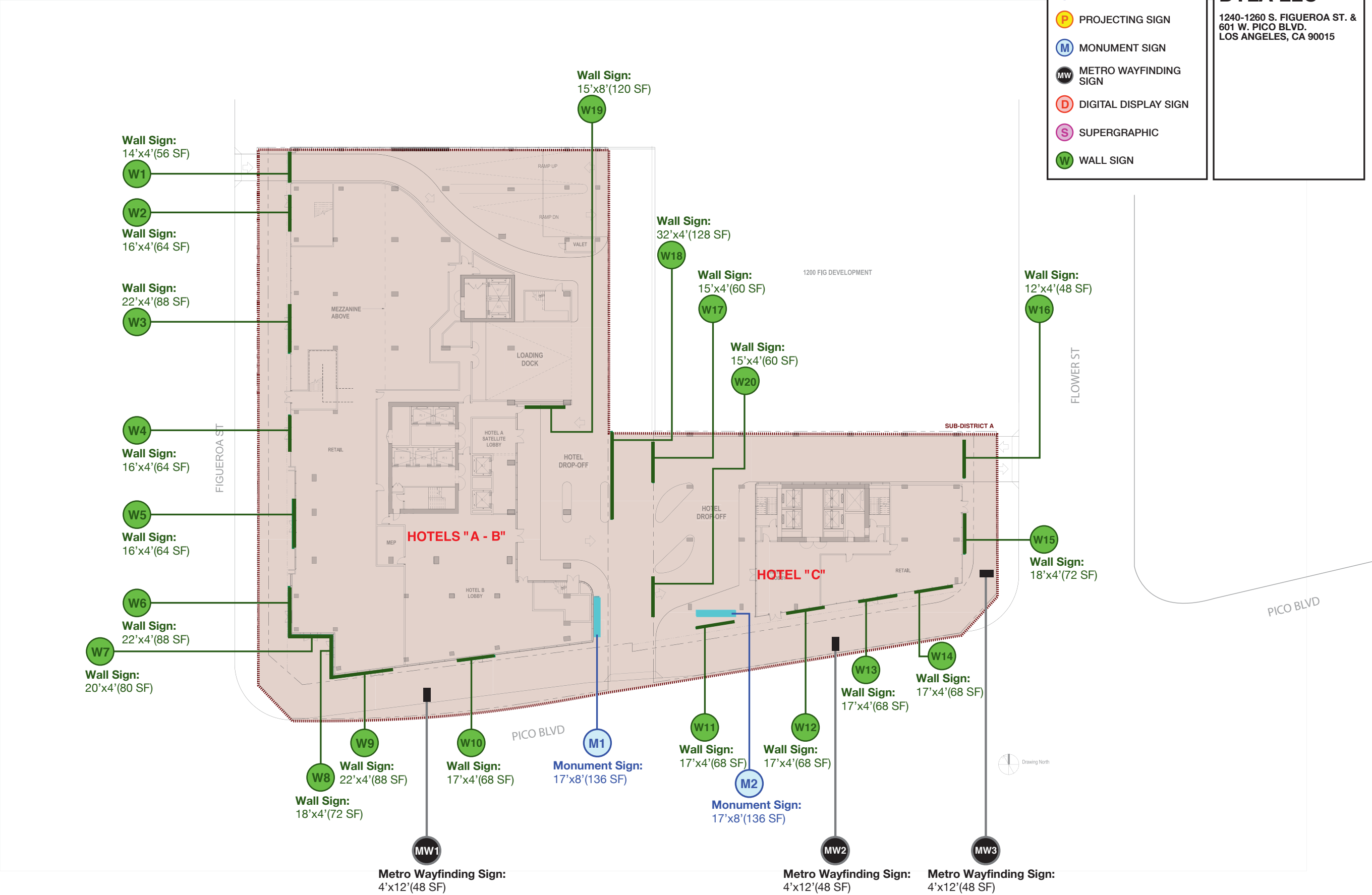


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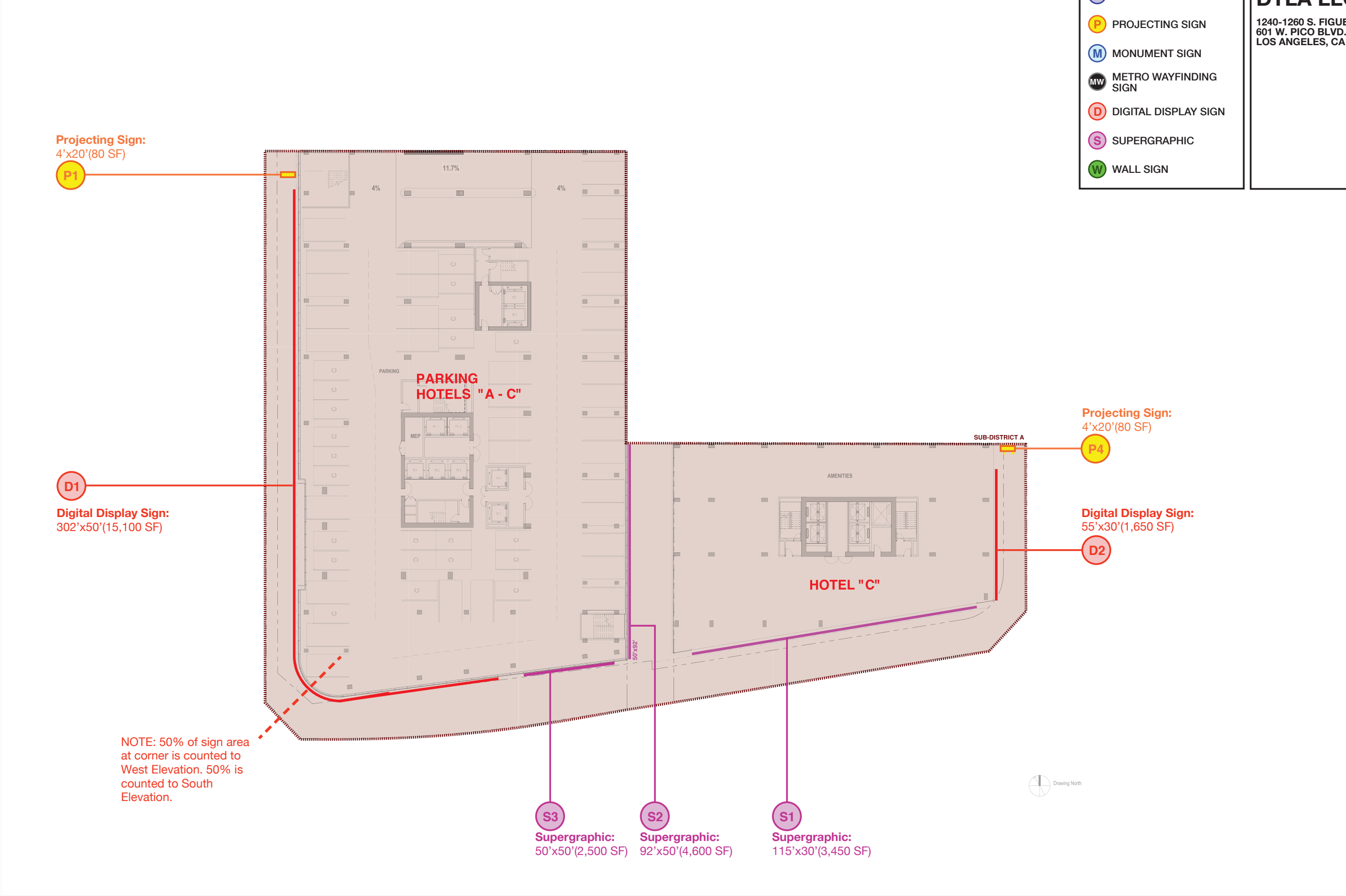


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The diagram is a detailed architectural floor plan of Level 35, designated as the Sky Lobby/Deck. It is divided into three main sections: 'HOTELS "A - B"' on the left, 'HOTEL "C"' in the center-right, and 'SUB-DISTRICT A' on the far right. The 'HOTELS "A - B"' section includes a 'LOBBY AMENITY DECK' and a 'SKY LOBBY'. 'HOTEL "C"' features a 'POOL DECK' and a 'POOL'. 'SUB-DISTRICT A' contains 'AMENITIES' and a 'POOL'. Three identification signs are marked with blue circles and labeled: 'I3' (40'x20'(800 SF)) is located above the Sky Lobby; 'I4' (40'x20'(800 SF)) is located below the Pool Deck; and 'I5' (20'x40'(800 SF)) is located to the right of the Pool Deck. The plan also shows various rooms, corridors, and structural elements like stairs and elevators.

1 SIGNAGE PLAN - LEVEL 35 - SKY LOBBY/DECK

EXHIBIT 1 - SUB AREA “A”  
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SUPERGRAPHIC

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WALL SIGN

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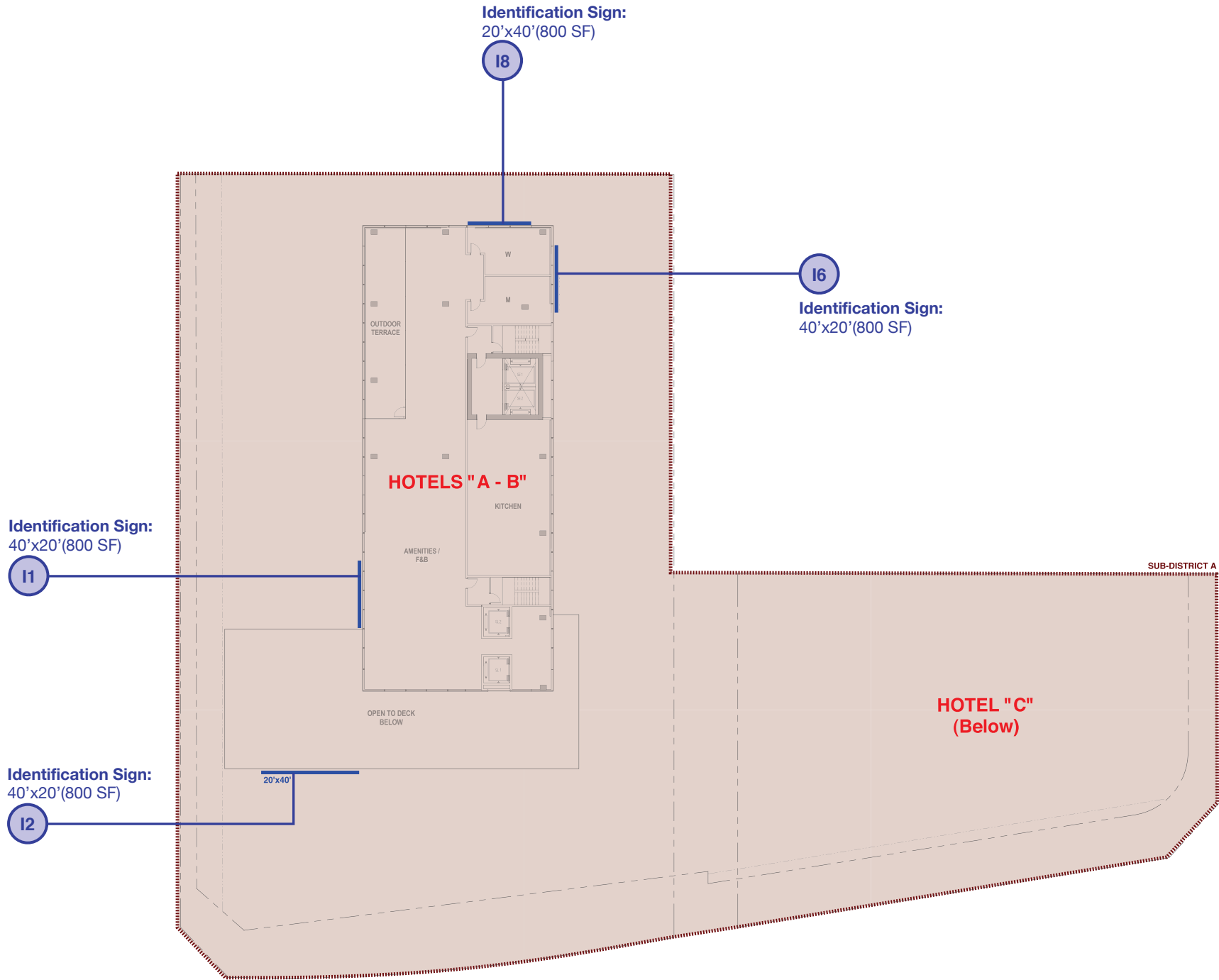


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PROJECTING SIGN

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MONUMENT SIGN

MW

METRO WAYFINDING SIGN

D

DIGITAL DISPLAY SIGN

S

SUPERGRAPHIC

W

WALL SIGN

LIGHTSTONE  
DTLA LLC

1240-1260 S. FIGUEROA ST. &  
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LOS ANGELES, CA 90015

**Identification Sign:**  
40'x20'(800 SF)

**Identification Sign:**  
40'x20'(800 SF)

**Supergraphic:**  
50'x50'(2,500 SF)

**Digital Display Sign:**  
302'x50'(15,100 SF)

**NOTE:** 50% of sign area at corner is counted to West Elevation. 50% is counted to South Elevation.

**Projecting Sign:**  
SEE WEST ELEV.

**Metro Wayfinding Sign:**  
4'x12'(48 SF)

**Supergraphic:**  
115'x30'(3,450 SF)

**Projecting Sign:**  
SEE EAST ELEV.

**Wall Sign:**  
20'x4'(80 SF)

**Wall Sign:**  
22'x4'(88 SF)

**Metro Wayfinding Sign:**  
4'x12'(48 SF)

**Wall Sign:**  
17'x4'(68 SF)

**Monument Sign:**  
17'x8'(136 SF)

**Monument Sign:**  
17'x8'(136 SF)

**Wall Sign:**  
17'x4'(68 SF)

**Wall Sign:**  
17'x4'(68 SF)

**Wall Sign:**  
17'x4'(68 SF)

**Wall Sign:**  
17'x4'(68 SF)

**34,242 sf**

**27,767 sf**

**10,304 sf**

**4,226 sf**

**3,595 sf**

**SIGN ZONE 3: 100'-ROOF**

**SIGN ZONE 2: 35'-100'**

**SIGN ZONE 1: 0'-35'**

**1 SIGNAGE ELEVATION - SOUTH OVERALL**



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SIGN ZONE 3: 100'-ROOF

SIGN ZONE 2: 35'-100'

SIGN ZONE 1: 0'-35'

SIGN ZONE 3: 100'-ROOF

SIGN ZONE 2: 35'-100'

SIGN ZONE 1: 0'-35'

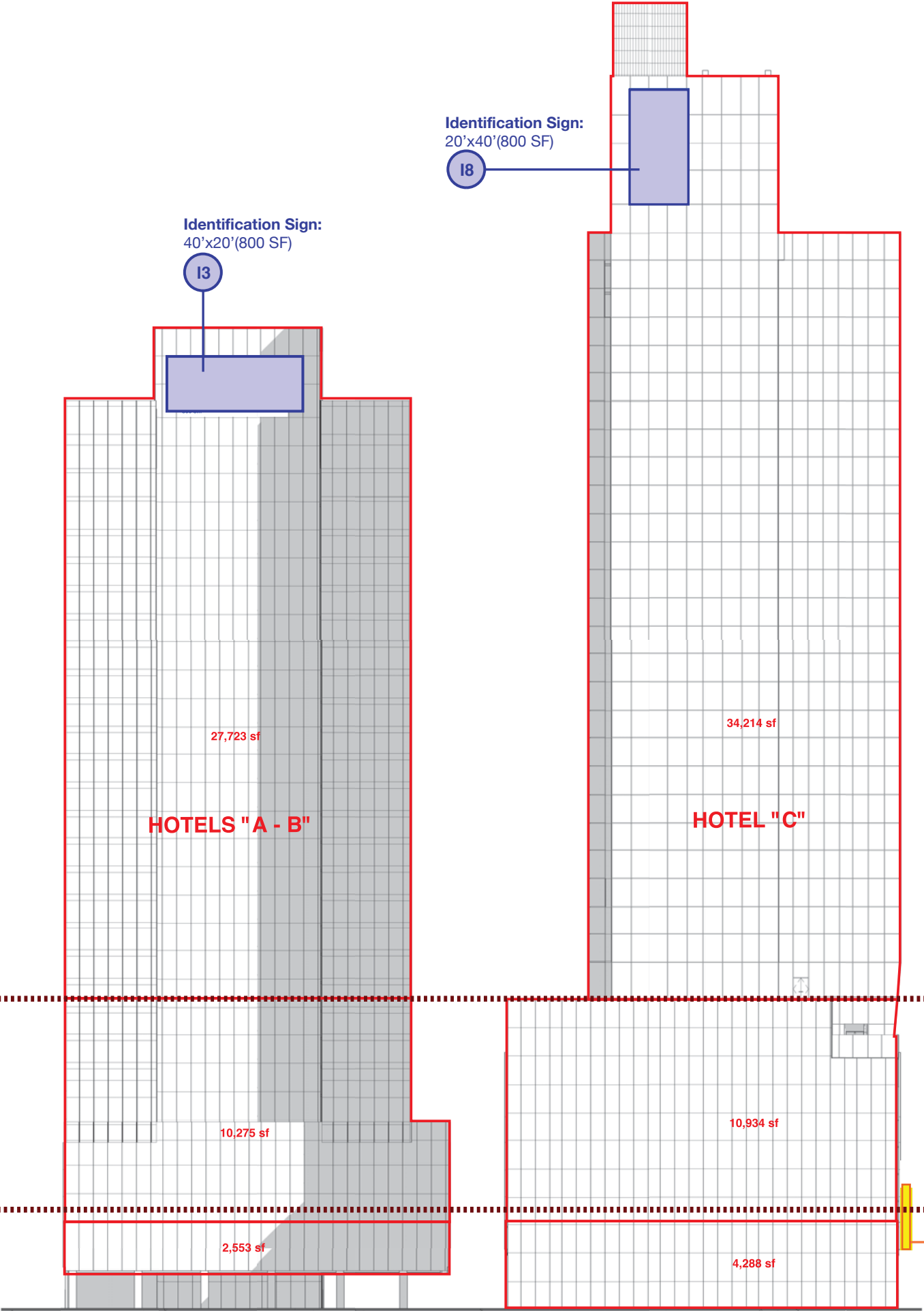


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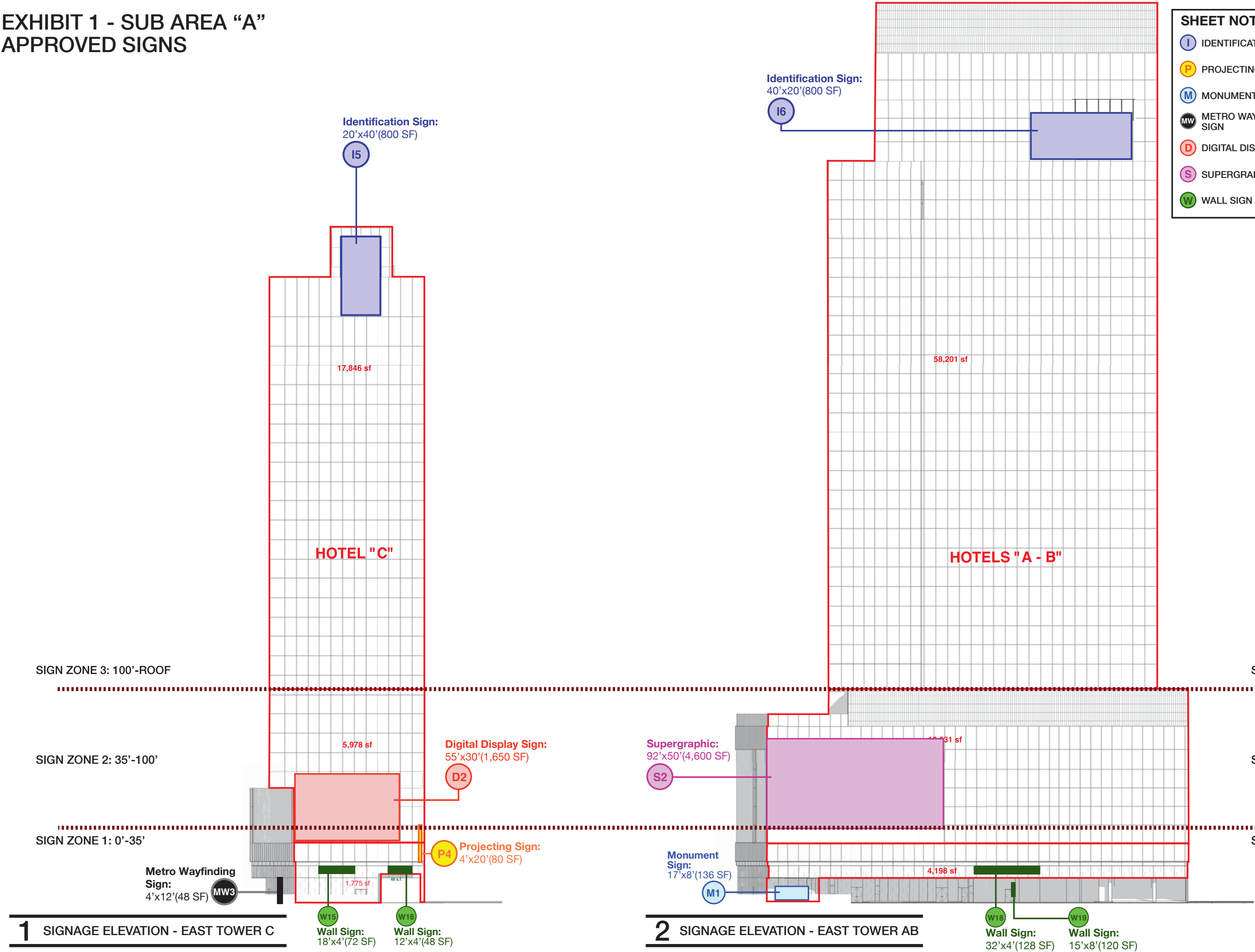


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S

SUPERGRAPHIC

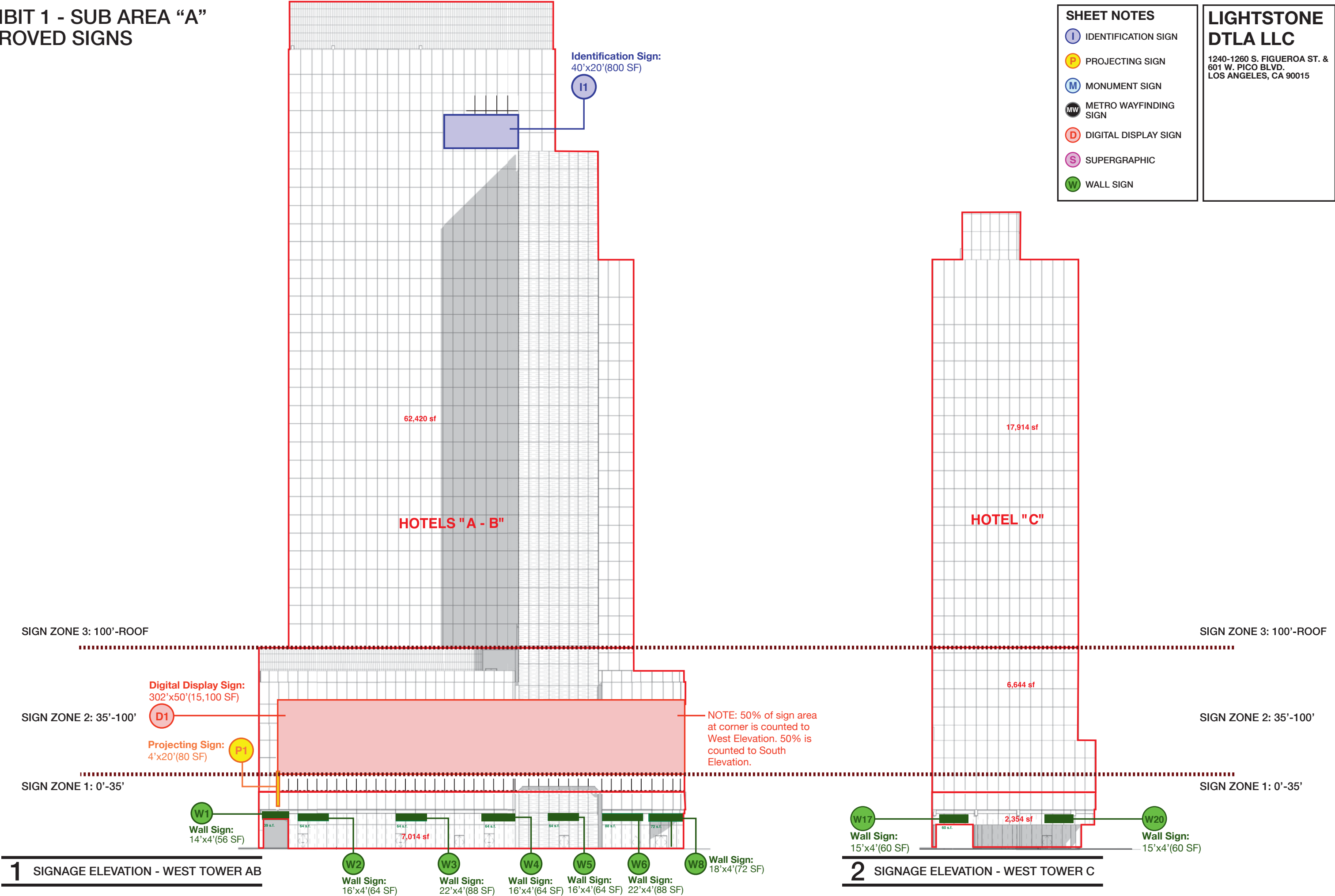
W

WALL SIGN

LIGHTSTONE

DTLA LLC

1240-1260 S. FIGUEROA ST. &  
601 W. PICO BLVD.  
LOS ANGELES, CA 90015



## EXHIBIT 1 - SUB AREA "A" APPROVED SIGNS

## NORTH ELEVATION

SIGN	SIGN AREA (sq. ft.)
18	800
<b>TOTAL</b>	<b>800</b>

## SOUTH ELEVATION

SIGN	SIGN AREA (sq. ft.)
D1 (partial)	3,675
I2	800
M1	136
MW1	48
S3	2,500
W7	80
W9	88
W10	68
<b>TOTAL</b>	<b>7,395</b>

## EAST ELEVATION

SIGN	SIGN AREA (sq. ft.)
I6	800
S2	4,600
W18	128
W19	120
<b>TOTAL</b>	<b>5,648</b>

## WEST ELEVATION

SIGN	SIGN AREA (sq. ft.)
D1 (partial)	11,425
I1	800
P1	80
W1	56
W2	64
W3	88
W4	64
W5	64
W6	88
W8	72
<b>TOTAL</b>	<b>12,801</b>

## HOTELS "A and B" TOTAL SIGN AREA

<b>TOTAL</b>	<b>26,644 SQUARE FEET</b>
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**NOTES:**

**The area of a sign that wraps a project corner (Sign D1) is partially counted towards each elevation**

**Projecting Sign P1 is located in Sign Zones 1 and 2 (36 SF in Sign Zone 1 and 44 SF in Sign Zone 2)**

## HOTELS A and B

## Sign Area Totals

**LIGHTSTONE  
DTLA LLC**

1240-1260 S. FIGUEROA ST. &  
601 W. PICO BLVD.  
LOS ANGELES, CA 90015

## EXHIBIT 1 - SUB AREA "A" APPROVED SIGNS

## NORTH ELEVATION

SIGN	SIGN AREA (sq. ft.)
I3	800
<b>TOTAL</b>	<b>800</b>

## SOUTH ELEVATION

SIGN	SIGN AREA (sq. ft.)
I4	800
M2	136
MW2	48
S1	3,450
W11	68
W12	68
W13	68
W14	68
<b>TOTAL</b>	<b>4,706</b>

## EAST ELEVATION

SIGN	SIGN AREA (sq. ft.)
D2	1,650
I5	800
MW3	48
P4	80
W15	72
W16	48
<b>TOTAL</b>	<b>2,698</b>

## WEST ELEVATION

SIGN	SIGN AREA (sq. ft.)
W17	60
W20	60
<b>TOTAL</b>	<b>120</b>

## HOTEL "C" TOTAL SIGN AREA

<b>TOTAL</b>	<b>8,324 SQUARE FEET</b>
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**NOTES:**

Projecting Sign P4 is located in Sign Zones 1 and 2 (36 SF in Sign Zone 1 and 44 SF in Sign Zone 2)

## HOTEL C

## Sign Area Totals

**LIGHTSTONE  
DTLA LLC**

1240-1260 S. FIGUEROA ST. &  
601 W. PICO BLVD.  
LOS ANGELES, CA 90015

# EXHIBIT B-3

## SUMMARY OF REQUESTED MODIFICATIONS TO THE SD ORDINANCE

Category	SD Ordinance Provisions per SD Determination	Requested Modifications for Modified SD
<b>Sign Program</b>	<ul style="list-style-type: none"> <li>Section 5 requires extensive review requirements for signs in Subarea A.</li> <li>Section 8.D.5.  “Building Occupancy. Supergraphics shall not be installed until such time as a Certificate of Occupancy has been issued for the building on which it is placed. Supergraphics shall not be permitted prior to the development of a minimum of 500,000 square feet of floor area within Subarea A.”</li> </ul>	<ul style="list-style-type: none"> <li>Modify Section 5 to include a streamlined ministerial review process for approval of approved signs, identification signs, monument signs, projecting signs, and wall signs.</li> <li>Add definition of "Approved Signs" for Subarea A and Exhibit 1 showing the Approved Signs.</li> <li>Delete Section 8.D.5. The construction threshold set forth in Section 8.D.5 is unworkable considering the sequential development of Hotel A/B and Hotel C.</li> </ul>
<b>General Design Standards</b>	<ul style="list-style-type: none"> <li>Section 6.C.3 prohibits digital displays on Flower Street, off-site signs, and pole signs..</li> <li>Section 6.E, 6.F, and 6.G set forth onerous design standards for the illumination of signs.</li> <li>Section 6.H establishes maximum refresh rates.</li> <li>Section 6.P prohibits signs from covering exterior doors and windows whether operable or inoperable.</li> <li>Section 6.Q requires that street trees shall be trimmed by the Urban Forestry Division of the Bureau of Street Services.</li> <li>Section 8 establishes the general standards for monument/pillar signs, projecting signs, wall signs, supergraphic signs, digital displays, and integral large-scale architectural lighting.</li> <li>Section 8.E establishes the standards for digital displays.</li> </ul>	<ul style="list-style-type: none"> <li>Delete the portion of Section 6.C.3 that prohibits digital displays on Flower Street. The Flower Street location is ideal for digital displays facing the adjacent Metro Blue Line Pico Station. Also delete the portion of Section 6.C that prohibits off-site signs and pole signs.</li> <li>Establish separate illumination requirements for signs within Subarea A and other Subareas. Illumination requirements for signs in Subarea A shall be subject to the restrictions included in the lighting technical report prepared in connection with the project's environmental impact report (EIR).</li> <li>Delete Section 6.H to permit full animation for the digital displays, except for the digital display on Flower Street, in order to maintain consistency with adjacent buildings and LASED sign regulations that permit animation.</li> <li>Delete Section 6.P and 6.Q. The EIR determined that impacts would not be adverse or significant for the signs in Subarea A, so these sections are unnecessary.</li> <li>Modify Section 8 to be consistent with the type, amount, and location of the signs analyzed in the EIR for Subarea A. The signs analyzed in the EIR should be used to ensure adequate sign visibility and retain a cohesive sign plan.</li> <li>Modify Section 8.E to (a) allow the full extent and location of digital displays analyzed in the EIR, (b) be consistent with the</li> </ul>

EXHIBIT B-3

SUMMARY OF REQUESTED MODIFICATIONS TO THE SD ORDINANCE

Category	SD Ordinance Provisions per SD Determination	Requested Modifications for Modified SD
		illumination standards established in the Lighting Technical Report and the adjacent LASED, (c) permit modern full animation technology for all signs other than the digital display on Flower Street instead of the cumbersome refresh rates in the draft Sign District, (d) allow the same hours of operation as the LASED, and (e) delete the requirements for building occupancy and the sign reduction program.
<b>Vertical Sign Zones</b>	<ul style="list-style-type: none"> <li>Section 7.B divides the Sign District into three Vertical Sign Zones: Zone 1: 0-35 feet; Zone 2: 35-100 feet; Zone 3: 100 feet-roof. Section 7.C permits signs to be located in multiple vertical zones only if such signs comply with the requirements for each vertical zone with respect to the portion of the sign in each vertical zone.</li> </ul>	<ul style="list-style-type: none"> <li>Modify Section 7.C to permit specific Supergraphic and Digital Displays to be located in Vertical Zones 1 and 2 subject only to the requirements for signs in Vertical Sign Zone 2.</li> </ul>
<b>Sign Reduction Requirement</b>	<ul style="list-style-type: none"> <li>Section 8.D. 6: “Off-Site Signs. No building permit shall be issued for any Supergraphic Sign displaying off-site content prior to approval of a sign reduction plan and Project Permit Compliance Review, pursuant to the terms and sign reduction ratios of Section 9, Sign Reduction.”</li> <li>Section 9 requires compliance with an onerous sign reduction program.</li> </ul>	<ul style="list-style-type: none"> <li>Delete Section 8.D.6. This section renders the signage program and Project infeasible by imposing a punitive and unnecessary sign reduction program.</li> <li>Delete Section 9. The proposed signage is consistent with surrounding areas and consistent signage should be encouraged. There is no basis to require a sign reduction program for the development site given its unique location and project characteristics.</li> </ul>
<b>SN District Boundary and Subareas</b>	<ul style="list-style-type: none"> <li>Remove Subareas B, C, and D from the proposed SN District</li> <li>Limit SN District boundary to include Subarea A and existing LASED area (i.e., Circa Project) to comprise an entire city block.</li> </ul>	<ul style="list-style-type: none"> <li>Delete proposed section. Per LAMC Sec. 13.11(B), SN District shall include only properties in the C or M Zones, except that R5 Zone properties designated “Regional Center”, “regional Commercial” or “High intensity Commercial” or within any redevelopment project area may also be included.</li> <li>In addition, LAMC Sec. 13.11(B), states that no SN District shall contain less than one block or three acres in area, whichever is the smaller. Because Circa Project is zoned LASED and thus cannot be included in the SN District, the proposed boundary does not satisfy the one city block requirement.</li> </ul>

EXHIBIT B-3

SUMMARY OF REQUESTED MODIFICATIONS TO THE SD ORDINANCE

Category	SD Ordinance Provisions per SD Determination	Requested Modifications for Modified SD
<b>Digital Display 3 Located on Pico</b>	<ul style="list-style-type: none"> <li>Change Digital Display 3 to supergraphics. Thus, Pico Boulevard will have three supergraphics (west to east: 60' X 50', 115' X 30', 50' X 50').</li> </ul>	<ul style="list-style-type: none"> <li>Delete proposed section.</li> </ul>
<b>Metro/LACC Use of Signs</b>	<ul style="list-style-type: none"> <li>Permit Metro and/or LACC use of 20% of each supergraphic sign and use of all digital displays for 3 minutes/hour, for a duration not less than the refresh rate.</li> </ul>	<ul style="list-style-type: none"> <li>Delete proposed sections.</li> </ul>
<b>Supergraphics Hours of Illumination</b>	<ul style="list-style-type: none"> <li>Illumination of supergraphics on Pico and Flower shall be prohibited from 12:00 am midnight to 7:00 am.</li> </ul>	<ul style="list-style-type: none"> <li>Delete proposed section. Keep consistent with LASED to avoid "dark corner" scenario while adjacent buildings have static and digital signs illuminated.</li> <li>Activity and LA Live, neighborhood,, Staples Center, and Metro last well beyond CPC suggested hours of operation. Sign lighting proposed by applicant complies with Community Plan and DTLA 2040 Update to "create a 24-hour urban core experience" for pedestrians and tourists. In March 2018, LAPD reported to South Park BID that crime statistics around the Pico Station and intersections of Fig and Pico are elevated due to current conditions. More lighting and activation in this area will likely reduce crime rates.</li> </ul>