

ATTACHMENT J
SUMMARY OF TRANSACTION
DOCUMENTS

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IMPLEMENTATION AGREEMENT

The Implementation Agreement (IA) is the foundational document for this project. It provides a guidepost to all of the other transactional documents, describes the project and its constituent parts, provides escrow instructions and the conditions that must be met in order to close escrow, determines how New Hall design will be finalized, requires that the Developer acquire an NFL Team under specific conditions, addresses campus booking and operational coordination plans, and provides a wide range of terms and conditions that govern legal rights, roles and responsibilities of the Parties.

Parties: City, EventCo, HallCo, ParkingCo, ArenaLandCo
Escrow Term: Up to two years from execution to close escrow. Failure to close escrow in two years terminates the project
IA Term: If escrow closes successfully, term is coterminous with the Event Center Lease, including the Non-Possessory Period and Construction Term, followed by the 55-year Primary Term

Closing Terms

In order to close escrow, the following will need to be completed, among several actions:

- Execute various documents, agreements, and contracts to implement the project;
- Any legal challenge to the FEIR and entitlements would be resolved;
- The New Hall budget and design would be finalized;
- The Bond Program would be finalized;
- The NFL Team lease requirements would be met.

NFL Team Conditions

One of the principal requirements of the IA, and closing escrow, is that the Developer secure an NFL Team to play substantially all home games in the EC. The Team would have to be obligated to play for a term equivalent to the life of the Bonds, with significant penalties for early withdrawal.

New Hall Design Requirements

The IA provides a process for completing preliminary design of the New Hall, preparing construction documents, determining the final construction cost estimate that will inform the “New Hall Guaranteed Maximum Price Contract”, and ensure compliance with the minimum scope requirements of the New Hall. During this period, the Developer and the City will work to refine the design, including elements such as materials and finishes and other architectural details. This will result in the final design and final cost for the New Hall, information that will be used to complete the New Hall Agreement and the various bond documents. Completion of these requirements are a condition to close escrow.

Event Center and New Parking Structures Design Requirements

The City retains approval authority over certain design elements of the EC and new parking structures (Private Project). The City will ensure that these facilities contain the required project elements, such as the number of parking spaces and required usable spaces (e.g., meeting rooms

and Club Lounges in the Event Center). The IA requires that the EC be constructed in a way that is compatible with the LACC, protects Gilbert Lindsay Plaza, and does not adversely affect LACC operations.

Construction of the Private Project

During construction of the Private Project, the City maintains rights to review demolition of the site and construction of the improvements. It ensures that the Developer is responsible for all environmental remediation. The Developer shall not disrupt operations of the LACC and shall provide Community Benefits such as prevailing wage and local hiring.

Campus Operation and Cooperation

The completed Public and Private projects will result in a dynamic campus, with public events occurring throughout the day and evening. A wide range of services will be needed to ensure that all of the facilities on the campus operate efficiently. The IA requires creation of a Campus Coordination and Operations Committee comprised of the Parties to coordinate bookings at all facilities, ensure the availability of parking for all events, provide adequate security and safety services, coordinate service deliveries, and do all of this in a way that does not impact the local community.

Financing

The IA requires that a Financing Plan be finalized before close of escrow. The Financing Plan addresses issues related to formation of the Mello-Roos District, the structure of the Lease Revenue Bonds and Mello-Roos Bonds, repayment sources and uses, and other matters related to the repayment of the bonds.

Other Requirements

The IA requires the Developer to comply with all City contracting responsibilities, such as living wage, equal benefits, non-discrimination, small business outreach, job training outreach, and local hiring. The IA also requires the Developer to pay all taxes in a timely manner and to ensure that the City is accurately sited on sales tax transactions. Various other standard contractual requirements are provided in this IA, such as assignment; defaults, remedies, and termination; representations and warranties, insurance, and indemnification

Finally, the IA creates a panel of Public Entity Staff who will be responsible, in the course of their regular work efforts, to periodically review and approve actions required in the IA. The City Administrative Officer, Chief Legislative Analyst, and City Attorney will meet on a periodic basis to review documents provided by the Developer, approve design or construction documents, or monitor the requirements of the City designated in other transaction documents.

In addition, the City Construction Coordinators, consisting of the executive officers of the Department of Public Works, Bureau of Engineering and Bureau of Contract Administration, and the LACC. This panel will monitor public and private construction to ensure compliance with the IA, the NHA, the EC Lease, the BSG Lease, and the LALWG Lease construction requirements and to give required City approvals associated with its role as landlord.

EVENT CENTER GROUND LEASE

The Developer will be allowed to take control of the West Hall property and build the Event Center on that property through a long-term lease. This is known as the Event Center Ground Lease (EC Lease). The EC Lease provides terms and conditions that allow for the development of the project, including rent to be paid; the term of the lease; conditions on the type of building that can be constructed and the facilities to be included; and associated contractual matters related to defaults, insurance, assignment, and similar subjects.

Parties: City and EventCo
Term: Event Center Ground Lease term of the non-possessory period, construction term, and 55-year Primary Term.

State law provides that public property provided to a private entity for use as a stadium may not be leased for more than 99 years. Further, State law provides that the private entity must pay fair market rent for the lease. An appraisal was commissioned by the City to determine the fair market value rent for the West Hall property site. The appraisal determined that rent would start at \$6.6 million annually. The City further agreed, in the MOU, that the rent would be adjusted annually by 1.75%.

The rent payment, however, recognizes three unique phases to the project. First, the lease will be executed and activated immediately upon close of escrow. The Event Center, however, cannot be constructed until the Developer has completed construction of the New Hall. Thus, the EC Lease establishes a non-possessory period during which initial rent is \$9,590,307 to ensure sufficient revenue to support the debt service payment.

This is followed by the construction period. At this time, the New Hall is completed and the Developer will demolish the West Hall to build the Event Center. During this period, rent begins three years after escrow closes. A provision has been included in the ECGL that allows the Developer to begin demolition of the West Hall prior to completion of the New Hall. The option to do so, however, is solely and entirely at the discretion of the City. If the City chose to consider such a request, impact analysis on LACC business and associated costs would need to be prepared to inform a decision.

Finally, completion of the Event Center (or the first ticketed event) will trigger the start of the Primary Term. The annual fixed rent of \$6.6 million will have begun, with payments for the next 55 years, adjusted annually at 1.75%. Other revenues will have begun to ensure sufficient revenues to pay debt service.

NEW PARKING STRUCTURES GROUND LEASES

Two ground leases have been prepared that allow the Developer to construct and control parking facilities to serve both the Event Center and the LACC.

Parties: City and ParkCo
Term: Co-terminus with the Event Center Ground Lease

The L.A. Live Way Parking Structure will contain not less than 3,000 parking stalls, and the Bond Street Parking Structure will contain not less than 924 parking stalls. Both parking ground leases will be effective on the Closing Date, which is the date the Event Center Ground Lease is effective.

Tenant will get possession of both sites at the same time, when Tenant is ready to begin construction on the L.A. Live Way Parking Garage by demolishing the existing Cherry Street parking facility. Construction of the L.A. Live Way Parking Garage must be completed by the time New Hall construction is completed. Tenant cannot demolish West Hall until the L.A. Live Way Parking Structure is completed.

During construction of the first structure, Tenant will use the Bond Street site for construction staging, subject to LACC's rights to use the Bond Street site for truck marshaling if Tenant does not provide other property for LACC truck marshaling.

Tenant cannot construct the Bond Street Parking Garage until the L.A. Live Way Parking Structure and New Hall are completed. The Bond Street Parking Garage must be completed by the time the Event Center is completed.

Tenant will pay fair market value rent (based on an appraisal) for each site. Payment of rent begins for each facility on the earliest of: (1) completion of the structure, (2) Tenant's commencement of operations of the parking facility, or (3) the third anniversary of issuance of the Lease Revenue Bonds. Rent will increase each year by 1.75%.

The Bond Street Parking Structure Ground Lease obligates the Tenant to provide property for LACC truck marshaling, for the entire term of that ground lease, either on the Bond Street site while vacant land, the first floor of the Bond Street Parking Structure when completed, or off-site.

Tenant has the right to establish parking rates and will keep all parking revenue.

The Bond Street Parking Structure Lease grants LACC the right to make arrangements to use the parking structure for LACC high capacity events, such as the Auto Show and E3, for not more than 62 days each calendar year.

AMENDED AND RESTATED MASTER RECIPROCAL EASEMENT AGREEMENT

The Amended and Restated Master Reciprocal Easement Agreement (REA) provides rights to the affected parties concerning their rights to use certain areas of the Campus. It ensures that the parties will be able to use certain walkways and hallways, share certain building elements, and ensure that maintenance and repairs can be made efficiently.

Parties: City, EventCo, ParkCo, ArenaLandCo, LA Live Properties
Term: Term is coterminous with the Event Center Lease, including the initial period and the 55-year Primary Term

The term of the REA is essentially the same as the Event Center Ground Lease, though the terminology in the REA provides a more specific description of the term. For this document, each easement ends with the expiration of a lease or agreement that provides the parties with specific roles in the project. This allows specific easement rights to expire sooner if one of the parties ends its partnership in the project earlier than the others. For example, the Signage Agreement has a term of approximately 34 years with an option to extend. If no extension is created for the Signage Agreement, then all associated rights in the REA end.

Easements granted in this document include:

- Pedestrian access along the bridges, walkways, elevators, ramps, and stairs connecting the parking garages to the Event Center and LACC
- Pedestrian access through the West Hall Tower and through the Event Center to the Pico Lobby
- Access to and use of Gilbert Lindsay Plaza
- Shared use of the loading dock and service ramp
- Central plant and utility conduits
- Signage on the LACC
- Foundation and Encroachment and Common Building Components

The REA ensures that each party will have rights to conduct inspections, maintenance, repair, restore, and similarly manage their properties. This document also ensures that each party is responsible for costs associated with such repairs and maintenance.

Standard requirements concerning indemnification and insurance, damage and destruction, defaults and remedies, transfers and assignments, amendments, and termination of this REA are provided as well. Because this REA provides rights associated with property and lease ownership, this document will be recorded with the Los Angeles County Assessor's Office.

NEW HALL AGREEMENT

The New Hall Agreement provides for the construction of the New Hall and associated facilities and amenities to improve the LACC.

Parties: City and HallCo
Term: Close of escrow through completion of the New Hall

The New Hall Agreement provides that the Developer will provide a meeting and exhibit facility that is a state-of-the-art, first class multi-purpose facility that meets minimum design requirements so as to be comparable to spaces currently available in the West Hall and otherwise substantially similar to the design, construction and capabilities of the South Hall. It is intended to be designed to meet a Gold LEED standard.

The Agreement provides the Developer with the rights and obligations to hire architects, contractors, and other needed to complete the project. The Developer's obligations ensure that the project budget will be closely monitored and that efforts to provide value engineering will ensure that the budget is met.

Throughout New Hall construction, the executive officers of the Department of Public Works, Bureau of Engineering and Bureau of Contract Administration, as well as the LACC, will act as City Construction Monitors to follow the work conducted by the Developer. Strict deadlines for project approvals are in place to ensure that the City Construction Monitors are actively involved and responsive to the Developer's requests for approvals.

The Agreement lays out criteria concerning budgeting, payments, and responsibility for cost overruns. The Developer will be responsible for any cost overruns that are not caused by the City. Otherwise, the City would need to provide funds for cost overruns.

NEW HALL GAP FUNDING AGREEMENT

The Lease Revenue Bonds (LRB) that the City will sell to fund the New Hall project are backed by the Event Center rent, new property taxes associated with the Event Center, Staples Center ground rent, rent from the new parking structures, construction sales taxes, and parking tax revenues generated by Event Center activities. Since the LRBs are still a General Fund obligation, the Developer is providing a letter of credit that will allow the City to make payments on the Lease Revenue Bonds if the allocated revenues do not cover full the full amount of the debt service payment.

The New Hall Gap Funding Agreement (GFA) provides an additional level of security to ensure that no City funds will be used to cover any LRB payment. It is important to note that analysis indicates that the identified sources are enough to cover the LRB payments. But the GFA was required to provide additional protection to the City's General Fund.

Parties: City, EventCo, and the NFL Team
Term: Bond Repayment Term

The GFA provides that required payments will be monitored throughout the year. If it appears that the Enumerated Sources are not enough to cover the LRB payment, the City can request a deposit from the Developer to cover the estimated shortfall. This deposit could then be used to pay any gap, or could be used as credit against a funding gap in the following year or as an advance on the next year's EC Lease rent.

In addition, the Developer is eligible to receive a credit against future EC Lease rent if the amount of construction sales tax generated by the project exceeds the required rent payment.

A critical note is that the parties to this agreement include both EventCo, which will own and operate the Event Center, and a Co-Obligor with adequate financial resources to meet any Gap Funding Obligation. The Co-Obligor could be the entity that owns the NFL team or another entity that is acceptable to the City. This ensures that if EventCo is not able to meet its obligation under the GFA, there will be another entity with financial means to do so.

NEW HALL SECURITY AGREEMENT

This Security Agreement describes how security will be provided at each stage of the project's development. The terms of this Agreement conform to those originally negotiated in the MOU. No changes were made to those original terms. The LRBs that the City will sell to fund the New Hall project are backed by the Event Center rent, new property taxes associated with the Event Center, and parking tax revenues generated by the Event Center.

As described in the MOU, the Developer will provide letters of credit to ensure adequate security to fund the LRBs in the event revenues identified to cover the annual payments do not materialize.

Parties: City, EventCo, and HallCo
Term: Bond Repayment Period

Under this Security Agreement, the Developer will be required to provide a letter of credit (LOC) from a financial institution acceptable to the City to support the payment of the Developer's obligations under the IA, EC Lease, and Other Documents. The amount of the LOC changes during each phase of the project's development. The City will be able to draw on the LOCs in the event of a default by the Developer.

SIGNAGE AGREEMENT

The existing Master Reciprocal Easement Agreement between the City and L.A. Live Properties provides that the City will not place signage on the LACC and that the first right to do so would be through an agreement with L.A. Live Properties. In 2005, the City Council approved an initial Signage Agreement with L.A. Live Properties that would have placed signage on the LACC, pending approval by the Planning Department and compliance with various City regulations.

The 2005 Signage Agreement was not implemented due to several factors, including emergence of the Event Center Project proposal. The Signage Agreement presented in this report is a natural progression from that 2005 plan. It takes into account changes in the LACC resulting from this project.

Parties: City and L.A. Live Properties
Term: Bond Repayment Term, with an extension provision

The Signage Agreement recognizes that both the LACC and L.A. Live Properties have signage needs. L.A. Live Properties will install signage on the areas of the LACC facing the Harbor and Santa Monica freeways, while the LACC will place signage facing the Santa Monica Freeway and Figueroa Street, as well as in Pico Passage. The L.A. Live Properties signage will be permanently affixed to the building, while the LACC signage will be temporary and change based on the needs of clients in the facility.

The primary signage need determined by the LACC concerns E3, which places a significant amount of temporary signage on the facility. A lower tier of signage demand is placed by events such as the Auto Show. Most clients, however, require a simple banner announcing the name and dates of the show. The Signage Agreement recognizes and accommodates the requirements of each of these three levels of signage need.

The City and L.A. Live Properties agreed that the \$6 million in special assessment to be levied against L.A. Live and the EC constitute consideration for the commercial signage rights granted to L.A. Live Properties under the Agreement.

GILBERT LINDSAY PLAZA AGREEMENT

Gilbert Lindsay Plaza (Plaza) is, currently, an approximately 4-acre open space plaza and drive in front of the LACC. The Developer has proposed that this space be redesigned to expand the usable open space for public events, eliminating the focus on bus drop-off uses. The Plaza would be programmed for outdoor receptions and exhibits for LACC events, tailgating for NFL and other sporting events, and a wide range of other public events such as movies, farmer's markets, and exhibition sports activities.

The Gilbert Lindsay Plaza Agreement (GLPA) provides terms to accomplish renovation of the Plaza and designation of priority uses of the Plaza.

Parties: City, EventCo, and ArenaLandCo
Term: Event Center Ground Lease Term

Renovation of the Plaza is currently estimated between \$8 and \$10 million, to be provided through Prop 1C grant funds previously designated by the State for this purpose (\$2M); Arts Development fees (\$2M), and additional funds from the Developer (\$4M to \$6M). No LRB or MRB funds are designated for development of the Plaza. The Developer will provide the additional funds for renovation.

The GLPA establishes priority use for events on the Campus. First use priority would be provided to EventCo during NFL games. The LACC would then have priority for its Citywide Conventions, including E3 and the Auto Show. The third priority in use would be for Event Center events that attract more than 50,000 people. After that, the Campus Coordinating Committee would determine use priorities. The Committee would coordinate scheduling in the Plaza.

Food and beverage services would be provided by either the LACC or the Developer, depending upon the lead entity for the event. Utility services would be provided through the LACC infrastructure at normal rates for third party contracts and at cost to the Developer.

The LACC currently maintains the Plaza, and would continue to do so under the GLPA. The Developer has proposed creation of a Special Purpose Fund to ensure that funds are available in the future for long-term maintenance and capital improvements. The City and Developer will develop a funding agreement that determines how to capitalize this fund.

FIRST AMENDMENT TO THE ARENA GROUND LEASE

The Arena Ground Lease, which provided for the construction and operation of the Staples Center, has a term of 25 years. This First Amendment would extend the term of the Lease to be co-terminus with the Event Center Lease.

Parties: City and ArenaLandCo
Term: Event Center Ground Lease Term

With this Amendment, the Arena Ground Lease would be extended from 25 years to approximately 61 years. In consideration for this extension, the Amendment requires the Developer to maintain and make capital improvements to the Arena to ensure that it remains a high quality facility.

In addition, the Developer would be required to pay a mutually agreed upon amount for the extended term. The original Lease maintained a rent of \$1 per year for 25 years. This Amendment requires that rent after 25 years be paid based on a mutually agreed upon amount. The City obtained an appraisal to value that rent for the extended term.