

ATTACHMENT K

Implementation Agreement and Other Agreements

IMPLEMENTATION AGREEMENT

among

CITY OF LOS ANGELES

and

L.A. EVENT CENTER, LLC

and

ARENA LAND CO, LLC

and

L.A. PARKING STRUCTURES, LLC

and

L.A. CONVENTION HALL, LLC

Dated as of _____, 2012

Implementation Agreement

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IMPLEMENTATION AGREEMENT

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

Article I – Recitals

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Attachment No. 9: Team Estoppel Certificate

Attachment No. 10: Developer Estoppel Certificate

Attachment No. 11: Method of Financing

Attachment No. 12: Memorandum of Implementation Agreement

Attachment No. 13: Phase I Hazardous Substance Investigations

Attachment No. 14-A : Non-discrimination

Attachment No. 14-B: Child Support Orders

Attachment No. 14-C: Service Contract Worker Retention

Attachment No. 14-D: Living Wage

Attachment No. 14-E: Contractor Responsibility

Attachment No. 14-F: Anti-Slavery Ordinance

Attachment No. 14-G: First Source Hiring

Attachment No. 14-H: Public Infrastructure Stabilization Ordinance

Attachment No. 14-I: Local Business Preference Program

Attachment No. 15: Target New Hall Budget

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

Exhibit A: Event Center Ground Lease

Exhibit B-1: Bond Street Garage Ground Lease

Exhibit B-2: L.A. Live Way Garage Ground Lease

Exhibit C: Amended and Restated Master Reciprocal Easement Agreement

Exhibit D: Event Center Development Agreement

Exhibit E: New Hall Agreement

Exhibit F: New Hall GFA

Exhibit G: Security Agreement

Exhibit H: Signage Agreement

Exhibit I: Arena Ground Lease Amendment

Exhibit J: Gilbert Lindsay Plaza Agreement

Exhibit K: Construction and Staging License Agreement

Exhibit L: Arena Development Agreement Amendment

Exhibit M: LASED Development Agreement Amendment

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Article III – Pre-Conditions to Closing

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Article IV – Closing

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

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

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

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

4.3.1 Development Agreements.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Article V – Escrow Provisions

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

5.2 Escrow Procedures

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Article VI – Design Requirements of the New Hall

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6.3 Description of New Hall Project.

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

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

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

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

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

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

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

6.4 Cost of the New Hall Project.

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

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

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

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

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

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

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

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

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

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

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

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

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