

**EVENT CENTER
GROUND LEASE**

BY AND BETWEEN
THE CITY OF LOS ANGELES,
AS LANDLORD

AND

L.A. EVENT CENTER, LLC,
AS TENANT

PREMISES: _____

LOS ANGELES, CALIFORNIA

EFFECTIVE DATE:

_____201__

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EVENT CENTER GROUND LEASE

This EVENT CENTER GROUND LEASE ("Lease") is dated, for reference purposes only, as of _____, 201____, and entered into by and between the CITY OF LOS ANGELES, a municipal corporation and charter city, as landlord ("Landlord"), and L.A. EVENT CENTER, LLC, a Delaware limited liability company, as tenant ("Tenant"). Landlord and Tenant are sometimes individually referred to in this Lease as "party" and collectively referred to as "parties".

1. RECITALS AND BASIC TERMS.

1.1 **Overview.** Landlord owns that certain property located within the boundaries of Figueroa Street, the 110 Freeway, Venice Boulevard, and Chick Hearn Drive, in the City of Los Angeles. Currently, this property is the site of the LACC, which includes buildings commonly known as the "South Hall" and the "West Hall". The existing Bond Street Parking Lot ("Old Bond Street Parking Lot") and the existing Cherry Street Parking Garage ("Old Cherry Street Parking Garage") are also part of the LACC. This Lease, in general, involves Landlord leasing to Tenant a portion of the land on which the West Hall currently sits, on which land Tenant will construct and operate an Event Center (as defined below).

Prior to the construction of the Event Center, and subject to the terms and conditions of this Lease and the Other Agreements, Tenant and its Affiliates will: (i) demolish the Old Cherry Street Parking Garage and construct and operate one new parking garage (the "L.A. Live Way Parking Garage") on the Old Cherry Street Parking Garage property; (ii) construct for the Landlord a new convention hall ("New Hall") adjacent and connecting to the South Hall; and (iii) demolish certain portions of the West Hall, along with all structures under the West Hall. Concurrently with the construction of the Event Center, and subject to the terms and conditions of this Lease and the Other Agreements, Tenant and its Affiliates will demolish the Old Bond Street Parking Lot and construct and operate one new parking garage (the "New Bond Street Parking Garage", and together with the L.A. Live Way Parking Garage, collectively referred to herein as the "New Parking Garages") on the Old Bond Street Parking Lot. This Lease is part of that certain larger Transaction, which Transaction is more specifically described in the Other Agreements.

1.2 **Event Center.** Tenant shall develop and construct, at its sole cost and expense, the Event Center, which shall include a stadium sufficient to serve as the primary home stadium for at least one National Football League team and accommodate other sporting activities, concerts, entertainment uses, conventions, meetings, and exhibitions ("Event Center"). The Event Center shall be a first-class, state-of-the-art sports and entertainment facility, which facility shall comply with all Laws and is intended to contain: (a) approximately 72,000 seats (when configured for football games), including luxury suite seats and club seats, (b) approximately 200 luxury suites, (c) approximately 15,000 club seats, (d) approximately 1,750,000 usable square feet of gross area, (e) ancillary administrative, retail, dining and entertainment facilities that are attached to or integrated with the Event Center building, (f) a roof that fully covers the Event Center, either fixed or retractable, (g) adequate drinking fountains, and (h) such other facilities as may be approved by Landlord and Tenant.

In addition, Tenant hereby agrees that the Event Center must contain:

- (aa) no less than 130,000 usable square feet of floor space located at the event level of the Event Center (i.e. the Event Center field); and
- (bb) no less than a total of 100,000 usable square feet of meeting rooms, luxury suites, and club lounges located throughout the Event Center (all as depicted on the "Approved Conceptual Drawings", as such term is defined below), of which (i) no less than a total of 50,000 usable square feet shall be located on the western, eastern and southern ends of the Event Center at the club level (approximately 270 feet elevation), and (ii) of such 50,000 usable square feet, no less than 10,000 usable square feet shall consist of contiguous luxury suites located along the southern end of the Event Center at its club level, which space shall be capable of being partitioned into multiple stand-alone meeting rooms.

Tenant further agrees that the Event Center shall include the following items in a manner which is substantially consistent with the "Approved Conceptual Drawings" for the Event Center (attached hereto as Exhibit C, and as such term is defined in the Implementation Agreement, and which Approved Conceptual Drawing are subject to modifications which do not materially and adversely modify items (AA) through (DD) inclusive, below):

- (AA) permanent structural elements within the southwestern portion of the Event Center that provide vertical circulation and connection between and among all levels of the Event Center;
- (BB) walkways/hallways within the Event Center that provide circulation between and among the aforementioned meeting rooms, luxury suites, and club lounges;
- (CC) structural elements along the southern wall of the Event Center that allow direct connection and circulation between the Event Center and the New Hall at the club level of the Event Center; and
- (DD) restrooms and drinking fountains servicing the spaces described above in (aa) and (bb) (all as depicted on the "Approved Conceptual Drawings").

Components of the Event Center described above in (aa) through (bb), inclusive, and (AA) through (DD), inclusive (collectively, the "LACC Space Requirements"), shall be made available for use by LACC pursuant to the terms and conditions of this Lease.

The design of the LACC Space Requirements shall be subject to approval by Landlord pursuant to the terms and conditions of the Implementation Agreement. For purposes of calculating square footage in order to determine compliance with any square footage requirement contained in this Section 1.2, the parties shall apply the method of calculating square footage used in the determination of Floor Area Ratio in connection with land use entitlements for the Event Center.

The Event Center shall be managed and operated in accordance with the provisions of Section 8 of this Lease. The Event Center is intended to provide additional sporting, recreational, and entertainment opportunities for the public.

1.3 Premises. The leased premises for this Lease is that certain real property described in Exhibit A, together with: (a) all buildings, structures and other improvements, if any, currently located on such land; and (b) the appurtenances of Landlord and all the rights of Landlord in and to

such land (collectively, and excepting therefrom all of Landlord's reservation of rights set forth in this Lease, the "Premises"). Notwithstanding anything to the contrary, Tenant shall have no rights to, and Landlord hereby expressly reserves onto itself all rights to, the following: (i) to the extent that the Event Center is constructed, and subject to the terms and conditions of this Lease, any of Landlord's rights provided under this Lease with respect to the use of any portion of the LACC Space Requirements, (ii) any and all density rights (including rights relating to a transfer of Floor Area Ratio) above and beyond the right to build improvements containing total Floor Area of 2,000,000 square feet, as calculated in connection with the land use entitlements for the Event Center, and (iii) without any right of surface entry or rights above a depth of 500 feet, any and all water rights, coal, oil, gas, and other hydrocarbons, geothermal resources, precious metals ores, base metals ores, industrial-grade silicates and carbonates, fissionable minerals of every kind and character, metallic or otherwise, whether or not presently known to science or industry, now known to exist or hereafter discovered on, within, underlying the surface of the Premises; provided, however, that in no event shall the exercise of such reservation of rights by Landlord or any other party inhibit or interfere in any way with Tenant's use and enjoyment of the Premises.

1.4 Tenant and NFL Team 1. Tenant represents that (a) Tenant is an Affiliate of Anschutz Entertainment Group, Inc., a Colorado corporation ("AEG"), and (b) Tenant is a party to the NFL Team 1 Contract.

1.5 Event Center Owner. During the Term of this Lease, Tenant shall be deemed the "Owner" of the "Event Center Parcel" (in accordance with and subject to the definition of the term "Owner" set forth in Section 1 of the Reciprocal Easement Agreement), and, therefore, among other things, shall be entitled to all of the rights and benefits granted to the "Event Center Parcel Owner" in the Reciprocal Easement Agreement.

1.6 Economic Revitalization. The area surrounding the LACC is in need of economic revitalization. The presence of the proposed Event Center, as the primary home stadium of the NFL Team 1, is anticipated to, among other things: (a) serve as a catalyst for the development of hotel, retail, dining and entertainment facilities in downtown Los Angeles by creating new jobs, enhancing the viability and financial performance of the LACC, revitalizing the Central Business District, attracting more visitors to the downtown area and generating increased activity at hotels, restaurants and other businesses in the area, and (b) generate revenues for the City, including rent and the potential for increased revenues from possessory interest, parking, business license, utility and hotel taxes.

1.7 Desire to Lease. Based on the foregoing, Landlord desires to lease the Premises to Tenant, and Tenant desires to lease the Premises from Landlord, subject to the terms and conditions set forth in this Lease.

1.8 Demolition of Improvements. After Landlord provides authorization for demolition in accordance with Section 5.1 below, Tenant shall demolish and remove all of the improvements on and under the Premises, including portions of the West Hall and all parking improvements under the West Hall, in accordance with the terms and provisions of the Implementation Agreement. Certain personal property, fixtures, and items, as listed in the attached Exhibit L, shall remain the properties of Landlord and shall be removed by Landlord from those structures prior to their demolition.

1.9 **Construction of Event Center.** After demolition of the improvements on and under the Premises in accordance with the terms and provisions of the Implementation Agreement, Tenant shall construct the Event Center on the Premises, all as more particularly set forth in this Lease and the Implementation Agreement.

1.10 **Consideration of Landlord and Tenant.** In consideration of the Transaction, the Other Agreements, and the covenants and agreements of the parties contained in this Lease, and in exchange for the payment of Rent (as hereinafter defined) and other good and valuable consideration, the receipt and sufficiency of all of which are conclusively acknowledged by both parties, Landlord and Tenant agree as set forth herein.

1.11 **Effective Date.** This Lease is one of several documents constituting the Transaction, many of which will become effective on the closing date of Escrow No. _____ (“Close of Escrow”) with the Escrow Company pursuant to the Implementation Agreement. This Lease shall take effect upon the Effective Date, and the phrase “Effective Date” means the date of Close of Escrow.

2. **DEFINITIONS.**

Capitalized terms used herein, unless otherwise defined herein, shall have the respective meanings specified in the Glossary of Defined Terms attached hereto as Exhibit B. Unless otherwise indicated, references in this Lease to sections, sections, paragraphs, clauses, exhibits and schedules are to the same contained in or attached to this Lease.

3. **DEMISING OF PREMISES.**

Upon all the terms and conditions of this Lease, and subject to all reservation of rights by Landlord set forth herein, Landlord hereby leases the Premises to Tenant, and Tenant hereby takes and hires the Premises from Landlord. Tenant’s leasehold interest in the Premises shall be subject to all covenants, conditions, restrictions, easements, rights-of-way, and other matters of record, including without limitation all of the Tenant-Approved Title Conditions.

4. **LEASE TERM.**

4.1 **Term.** This Lease governs several successive periods of time, beginning with the “Non-Possessory Period”, followed by the “Construction Term”, and then the “Primary Term” (all of which are defined below; both the Construction Term and the Primary Term, but not the Non-Possessory Period, shall be collectively referred to herein as the “Term”):

4.1.1 **Non-Possessory Period.** The initial period of time covered under this Lease (“Non-Possessory Period”) shall commence upon the Effective Date and end upon the “Construction Term Commencement Date” (as defined in Section 5.1 below). During the Non-Possessory Period, Tenant: (i) shall have no possessory interest in the Premises and (ii) shall have no right of access to or entry onto the Premises under this Lease, except that Tenant may enter onto the Premises for inspection purposes and to conduct necessary pre-construction testing, planning and other customary

pre-development activities, subject to, and in accordance with, the terms and conditions of Section 29 hereof. The Non-Possessory Period shall not be part of the Term of this Lease. It is hereby acknowledged and agreed that Landlord shall continue to operate the West Hall and other existing improvements located in, on or about the Premises during the Non-Possessory Period, and except only as specifically set forth in Section 29 hereof and Tenant's obligation to pay Rent under this Lease, Tenant shall have no liability or obligation arising from or related to the Premises during the Non-Possessory Period. Tenant acknowledges and agrees that, during the Non-Possessory Period, Tenant shall perform all of its obligations to the Landlord under this Lease, including without limitation Tenant's obligation to pay any Rent that may become due in accordance with this Lease.

4.1.2 Construction Term. The portion of the Term of this Lease immediately following the Non-Possessory Period shall be the "Construction Term". The Construction Term shall commence upon the Construction Term Commencement Date (which shall be the same date as the "Demolition Authorization Date", as defined in Section 5.1 below). The Construction Term shall end upon the Primary Term Commencement Date (as defined below). During the Construction Term, Tenant shall have possessory and all other leasehold interests in the Premises and shall use the Premises for demolition and construction purposes only.

4.1.3 Primary Term. The portion of the Term of this Lease immediately following the Construction Term shall be the "Primary Term". The Primary Term shall commence upon the "Primary Term Commencement Date", which shall be the earlier date of the following: (i) the Completion of Construction of the Event Center; or (ii) the first ticketed event (for which there is a charge for the ticket) held in and utilizing any portion of the Event Center as a sports stadium or public entertainment facility. The Primary Term, unless terminated sooner pursuant to the terms of this Lease, shall end at 11:59 p.m. on the date which is fifty-five (55) years after the Primary Term Commencement Date.

4.2 Confirmation of Dates. Promptly after the occurrence of any date relevant to the parties' rights or obligations under this Lease (including without limitation the Effective Date, the Demolition Authorization Date, which is the same date as the Construction Term Commencement Date, the Primary Term Commencement Date, the Initial Rent Payment Date, and the Fixed Rent Commencement Date), the parties shall enter into a memorandum reasonably satisfactory to each of them (and in recordable form, if appropriate), memorializing such date. The failure of the parties to enter into any such memorandum shall not invalidate or in any way diminish the effectiveness of the actual date(s) to be set forth in the memorandum. All memoranda executed by the parties under this Section 4.2 shall constitute binding stipulations by the parties.

4.3 Cross-Default and Cross-Termination Based on Other Agreements

4.3.1 Cross-Default Based on Certain Other Agreements. In addition to any and all of Landlord's rights under Section 33 of this Lease, Landlord may, at its sole discretion, elect to deem a default by the Tenant or Tenant's Affiliate under any of the following Other Agreements which continues beyond all applicable notice and cure periods set forth in the applicable Other Agreement as a "Tenant Default" under this Lease entitling Landlord to the applicable remedies expressly set forth in Section 33.2.4 below: (i) the Gap Funding Agreement, (ii) the Security Agreement, and (iii) the Implementation Agreement (with respect to only uncured defaults under the

Implementation Agreement continuing beyond all applicable notice and cure periods which (a) arise and are not cured prior to the Completion of Construction of the Event Center and (b) relate to the design and/or construction of the Event Center).

In the event that Landlord elects to deem a default under an Other Agreement as default under this Lease pursuant to this Section 4.3.1, Landlord shall, within one hundred twenty (120) calendar days after Tenant's or its Affiliates' failure to cure such uncured default within the applicable notice and cure periods therefor under the Other Agreement, serve upon Tenant written notice of Landlord's intent to so deem the same a default under this Lease. Any such deemed default under this Lease pursuant to this Section 4.3.1 shall not be subject to any cure period available to Tenant and/or any Qualified Leasehold Mortgagee under this Lease, and Landlord shall have the right to take action based on any and all remedies available to Landlord under Section 33.2.4 immediately after Landlord has served written notice upon Tenant of Landlord's intent to deem the same a default under this Lease pursuant to this Section 4.3.1.

4.3.2 Cross-Termination Based on Certain Other Agreements. In addition to any and all of Landlord's rights under Section 33 of this Lease, Landlord may, at its sole discretion, terminate this Lease in the event that any of the following Other Agreements terminates prior to the end of its full term; provided that such termination is in accordance with the terms and provisions of such Other Agreement and is the result of a default of Tenant or Tenant's Affiliate of its applicable obligations under such Other Agreement which is not cured within applicable notice and cure periods under such Other Agreement: (i) the New Hall Agreement and (ii) the Implementation Agreement (with respect to uncured defaults under the Implementation Agreement continuing beyond all applicable cure periods which (a) do not relate to the design and/or construction of the Event Center, or (b) relate to the design and/or construction of the Event Center but first arise after the Completion of Construction of the Event Center).

In addition, Landlord may, at its sole discretion, terminate this Lease in the event that either one or both of the New Parking Garage Leases is/are terminated, in accordance with the applicable terms of the New Parking Garage Lease(s), prior to the end of the full term of the new Parking Garage Lease(s); provided that both of the following are true: (i) such termination(s) is/are the result of one or more defaults by L.A. Parking Structures LLC of its obligations under the New Parking Garage Lease(s) which is/are not cured within applicable notice and cure periods under the New Parking Garage Lease(s), and (ii) such termination(s) occurred prior to the Completion of Construction of both the New Hall and the New Parking Garage applicable to the terminated New Parking Garage Lease. For clarification purposes, the parties agree that once the Completion of Construction of both the New Hall and a New Parking Garage has occurred, Landlord shall not have the right under this Section 4.3 to terminate this Lease based solely on the fact that the New Parking Garage Lease for the completed New Parking Garage is terminated for any reason, including, without limitation, as a result of a default thereunder by L.A. Parking Structures LLC.

In the event that Landlord elects to terminate this Lease pursuant to this Section 4.3.2, Landlord shall, within one hundred twenty (120) calendar days after the termination of the applicable Other Agreement serve upon Tenant written notice of Landlord's intent to so terminate this Lease. Any termination of this Lease pursuant to this Section 4.3.2 shall not be subject to any cure period available to Tenant and/or any Qualified Leasehold Mortgagee under this Lease and

shall take effect upon one hundred twenty (120) calendar days after Landlord has served written notice upon Tenant of Landlord's intent to terminate this Lease pursuant to this Section 4.3.

5. DEVELOPMENT AND CONSTRUCTION OF THE EVENT CENTER.

5.1 **Timing of Demolition Work.** Tenant shall not demolish any portion of the West Hall or any parking improvements thereunder without prior written authorization from Landlord. Within fifteen (15) Business Days after Tenant's written request for authorization, Landlord shall provide Tenant with a written authorization, which authorization shall specify the date Tenant may commence demolition ("Demolition Authorization Date", which shall also be the "Construction Term Commencement Date").

The parties agree that Tenant shall have no right to demolish any portion of the West Hall or any parking improvements thereunder prior to the Completion of Construction of the New Hall and the L.A. Live Way Parking Garage; provided, however, that, upon Tenant's request, Landlord shall have the sole and absolute discretion to authorize demolition on the Premises prior to, and to specify a Demolition Authorization Date that takes place prior to, the Completion of Construction of the New Hall and/or the L.A. Live Way Parking Garage. In such event, Landlord shall approve or disapprove Tenant's request to demolish any portion of the West Hall or any parking improvements thereunder prior to the Completion of Construction of the New Hall and the L.A. Live Way Parking Garage as soon as is reasonably practicable; provided, that Landlord shall not be required to provide its approval or disapproval within the fifteen (15) Business Day period set forth in the immediately preceding paragraph, and which approval, if given by Landlord, may include and be subject to conditions and requirements that are satisfactory to Landlord in Landlord's sole and absolute discretion and with which Tenant shall be required to comply.

From and after the Completion of Construction of the New Hall and the L.A. Live Way Parking Garage, Landlord, in its proprietary capacity as landlord under this Lease, shall not withhold its authorization for the commencement of demolition of all or any portion of the West Hall for any reason (except as expressly specified in this Lease), and the Demolition Authorization Date shall not be more than thirty (30) calendar days after the date Landlord delivers its written authorization notice to Tenant authorizing the commencement of demolition.

The parties acknowledge that, unless otherwise specified, any of Landlord's obligations set forth in this Lease relating to the authorization or approval of construction shall be in connection with Landlord's Proprietary Capacity as landlord under this Lease and shall not be construed to be Landlord's obligation to grant approvals/entitlements or issue permits in Landlord's Governmental Capacity.

5.2 **Entry during the Construction Term for Demolition and Construction.** In no event shall Tenant enter onto the Premises to carry out any demolition or construction work during the Non-Possessory Period. During the Construction Term, Tenant shall have the right to enter onto the Premises to demolish existing structures (*i.e.* portions of the West Hall and all parking improvements under the West Hall) and construct the Event Center and all related improvements in accordance with the terms of this Lease and the Implementation Agreement. Prior to the Construction Term, Tenant's insurance as required by Section 15 of this Lease must be in place.

During the Construction Term, Landlord shall not be responsible for any loss, including theft, damage or destruction at the Premises or for any injury to Tenant, or Tenant's employees, representatives, contractors, or subcontractors except to the extent caused by Landlord's active negligence or willful misconduct. Landlord shall have the right to post appropriate notices of non-responsibility.

5.3 Construction Deadlines. After demolition of existing structures is completed on and under the Premises, Tenant shall, at its sole cost and expense, Commence Construction of the Event Center as soon as reasonably practicable and prosecute the same diligently to Completion, using all commercially reasonable efforts and complying with this Lease and the Implementation Agreement.

With respect to the timing of the start of construction, Tenant acknowledges and agrees that the Commencement of Construction of Event Center shall occur no later than the third (3rd) anniversary of the Effective Date, subject to extension on a day-for-day basis on account of Force Majeure Events or Landlord Delay ("Construction Commencement Deadline"). Notwithstanding the foregoing, nothing in this Section 5.3 shall be construed to grant Tenant any right to demolish any portion of the West Hall or any parking improvements thereunder without first complying with Section 5.1 above. In addition, nothing in this Section 5.3 shall be construed to reduce or limit Landlord's rights or discretion under Section 5.1 above.

Tenant acknowledges and agrees that Completion of the Event Center shall occur no later than the earlier of: (aa) the eighth (8th) anniversary of the Effective Date, subject to extension on a day-for-day basis on account of Force Majeure Events or Landlord Delay ("Qualified Completion Deadline"), or (bb) December 31, 2025, subject to extension on a day-for-day basis on account of Landlord Delay only, and not subject to extension on account of Force Majeure Events ("Absolute Completion Deadline"; the earlier to occur between the Qualified Completion Deadline and the Absolute Completion Deadline shall be referred to herein as the "Completion Deadline"). For purposes of this Section 5.3, Completion of the Event Center shall be deemed to have occurred only if Tenant provides Landlord evidence showing that a temporary or permanent certificate of occupancy has been issued by the City for substantially all of the Event Center.

Subject to the specific provisions of Section 33, Landlord shall have the right to terminate this Lease and pursue other remedies provided in Section 33 in the event that Tenant fails to comply with: (i) the Commencement Deadline or (ii) the Completion Deadline.

5.4 Standards for Design and Construction of Event Center.

5.4.1 Responsibility. Tenant shall design and construct the Event Center in compliance with this Lease (including without limitation Section 1.2 above), the Implementation Agreement, the requirements of Law, and approved building permits and plans. Landlord acknowledges that Tenant is responsible for the design of the Event Center and that, subject only to compliance with the design approval rights of Landlord set forth in the Implementation Agreement, and the requirements of Laws, Tenant has ultimate control over all design and construction decisions regarding the Event Center.

5.4.2 Standards for Design of Event Center. Tenant shall cause the Event Center to be designed by an architectural firm experienced in the design of facilities similar to the proposed Event Center. Landlord hereby pre-approves Gensler, Inc. as the architectural and design firm which may be permitted to design the Event Center or certain portions thereof. The design of the Event Center and the process for approval of such design (and the process for approval of certain alterations to such design that may be proposed by Tenant from time to time) by Landlord in its Proprietary Capacity shall be as set forth in Article VII of the Implementation Agreement, as if such Article VII were set forth in this Lease in its entirety. In addition, Tenant agrees that the design and redesign of the Event Center shall be subject to the requirements of Laws (except as local Laws may be stayed pursuant to the Development Agreement), including any design review and approval rights Landlord may have in its Governmental Capacity under the Law.

5.4.3 Standards for Construction of Event Center. Prior to Commencement of Construction of Event Center, Tenant shall deliver to Landlord copies of the Private Project Documents at the construction document milestone stages required by the Implementation Agreement. Unless modified in accordance with the Implementation Agreement, the Event Center shall be constructed substantially in accordance with the approved Construction Drawings (as defined in the Implementation Agreement) for the Event Center. Tenant shall construct the Event Center in accordance with Laws (except as local Laws may be stayed pursuant to the Development Agreement). Tenant shall pay, discharge or bond all Prohibited Liens and Stop Notices arising from construction of the Event Center, all in accordance with the provisions of this Lease regarding Prohibited Liens and Stop Notices. Tenant shall obtain and pay for all permits and approvals required by Law in order for Tenant to construct the Event Center. Upon Completion of Construction of the Event Center, Tenant shall provide to Landlord (a) a certificate stating that Completion of Construction of the Event Center has occurred, (b) a copy of the temporary or permanent certificate of occupancy evidencing such Completion of the Event Center, and (c) a set of "as built" plans for the Event Center.

5.4.4 Construction Contracting. Tenant shall select, in its sole discretion, and enter into contracts with, the architect, general contractor, and all other vendors for the construction of the Event Center.

5.4.5 Completion Guarantee. Tenant shall provide, for the benefit of the Landlord, a completion guaranty from a guarantor acceptable to Landlord, which completion guaranty shall guarantee completion of the Event Center. Landlord shall not unreasonably withhold its approval of the guarantor, provided that the guarantor approved by the Qualified Leasehold Mortgagee who provides the senior construction loan for the construction of the Event Center shall be deemed approved by Landlord.

5.5 Cooperation by Landlord. Unless inconsistent with or contrary to the terms and provisions of this Lease or the Implementation Agreement, upon Tenant's reasonable request, Landlord, in its Proprietary Capacity as fee owner of the land and landlord under this Lease, shall, without cost to Landlord, promptly join in and execute any instruments including, but not limited to, applications for building permits, demolition permits, alteration permits, appropriate consents, zoning, rezoning or use approvals, amendments and variances relating to the Premises, and such other instruments as Tenant may from time to time reasonably request to enable Tenant to use,

develop, improve and construct improvements on the Premises during the Term consistent with the standards and use restrictions set forth in this Lease, the Implementation Agreement, and the Law, provided each of the foregoing is in reasonable and customary form and does not cause the Fee Estate to be encumbered as security for any obligation and does not expose the Fee Estate to any risk of forfeiture during the Term. Landlord, in its Proprietary Capacity as fee owner of the land and landlord under this Lease, agrees not to oppose or object to any applications filed by Tenant with any Government Agency in connection with development, operation or alteration of any improvements located on the Premises which are consistent with the standards set forth in this Lease, the Implementation Agreement, and the Law. Nothing in this Section 5.5 shall be construed to limit Landlord's police powers or discretionary review and approval processes in its Governmental Capacity.

5.6 Title to Improvements and Personal Property. Notwithstanding anything to the contrary in this Lease, but subject to Section 1.8 above, all improvements and personal property located in, on, or at the Premises or otherwise constituting part of the Premises shall, beginning from the Commencement of Construction of the Event Center, be owned by, and shall belong to, Tenant. Tenant shall have title to the foregoing until the end of the Primary Term. Title to the improvements, fixtures and personal property after the end of the Primary Term or termination of this Lease is governed by Section 34 of this Lease.

5.7 Event Center Equipment Liens. If at any time or from time to time Tenant desires to enter into or grant any Event Center Equipment Liens, then upon Tenant's request, Landlord shall enter into such customary documentation with respect to the personal property leased or otherwise financed pursuant to such Event Center Equipment Liens as Tenant shall reasonably request, providing for matters such as (a) Landlord's waiver of the right to take possession of such personal property upon occurrence of a Tenant Default and (b) customary agreements by Landlord to enable the secured party to repossess such personal property in the event of a default by Tenant permitting such secured party to exercise remedies under its Event Center Equipment Lien.

5.8 Principles of Design and Construction Requirements in this Lease. Landlord and Tenant agree that it is their mutual intention (a) that the standards for design and construction imposed upon Tenant by means of the covenants of Tenant under this Lease and/or the Implementation Agreement are not intended to confer any decision-making authority upon Landlord regarding the design or construction of the Event Center, except to the extent set forth in this Lease and/or the Implementation Agreement, and (b) that this Lease shall be non-cancellable by Landlord or Tenant, except as specifically and expressly set forth in this Lease.

6. RENT.

6.1 Initial Rent. In addition to any other consideration under this Lease, including without limitation any Fixed Rent (defined below) and Additional Rent, Tenant shall pay Landlord, without notice or demand, in lawful money of United States of America, a one-time rent payment ("Initial Rent") in the amount equal to Twelve Million Five Hundred Thousand Dollars (\$12,500,000) minus: (i) all Fixed Rent, if any, paid by Tenant to Landlord in accordance with this Lease and (ii) all scheduled rent payments, if any, paid to Landlord in accordance with each of the New Parking Garage Leases. The Initial Rent shall be due and payable on the third anniversary of

the April 1st of that calendar year in which the Close of Escrow occurs (“Initial Rent Payment Date”). For illustrative purposes only, assuming that Close of Escrow occurs on any day in year 2013, then the Initial Rent Payment Date would be April 1, 2016. The parties hereby acknowledge that it is possible for the Fixed Rent Commencement Date to occur prior to the Initial Rent Payment Date if the Event Center is completed or used earlier than anticipated. The parties hereby further acknowledge that the Initial Rent Payment Date may not coincide with the Construction Term Commencement Date (which is the same as the Demolition Authorization Date) and that the Initial Rent Payment Date may fall within the Non-Possessory Period. In such event, any Initial Rent due and/or paid prior to the Construction Term Commencement Date shall not grant the Tenant any right to possession or any leasehold rights with respect to the Premises.

6.2 Fixed Rent. As specified in this Section 6.2, in addition to any other consideration under this Lease, including without limitation any Initial Rent or Additional Rent, Tenant shall pay Landlord, without notice or demand, in lawful money of the United States of America, the “Fixed Rent”, which defined term shall include, collectively, the “First Fixed Rent”, a series of annual “Intermediate Fixed Rent”, and the “Last Fixed Rent”, as set forth below in Sections 6.2.1 through 6.2.3, inclusive. Tenant shall pay Landlord the Fixed Rent commencing upon the “Fixed Rent Commencement Date” (defined below) through and until this Lease expires or terminates.

The defined term “Fixed Rent Year” shall mean each twelve (12) month period commencing upon, and inclusive of, April 1st and ending upon, and inclusive of, March 31st, during which period a Fixed Rent is due and payable.

Other than the First Fixed Rent and the Last Fixed Rent, the series of annual Fixed Rent (each and collectively referred to as the “Intermediate Fixed Rent”) owed under this Lease, each in its full amount, without proration, shall be due and payable on the first day of a Fixed Rent Year (*i.e.* April 1st). In light of the fact that the payment due date of the First Fixed Rent will likely not fall on the first day of a Fixed Rent Year (*i.e.* April 1st), the First Fixed Rent may need to be prorated to reflect the partial Fixed Rent Year for which the First Fixed Rent will be paid. The method of prorating the First Fixed Rent is set forth below in Section 6.2.1. Similarly, in light of the fact that the payment due date of the Last Fixed Rent will likely not fall on the last day of a Fixed Rent Year (*i.e.* March 31st), the Last Fixed Rent may need to be prorated to reflect the partial Fixed Rent Year for which the Last Fixed Rent will be paid. The method of prorating the Last Fixed Rent is set forth below in Section 6.2.3.

The “Fixed Rent Base Amount”, upon which the calculation of the First Fixed Rent and the first Intermediate Fixed Rent will be based, may vary depending on when the Fixed Rent Commencement Date occurs. The “Fixed Rent Base Amount” shall be determined as follows: (i) if the Fixed Rent Commencement Date (defined below) occurs in year 2017 or earlier, then the Fixed Rent Base Amount shall be Six Million Six Hundred Thousand Dollars (\$6,600,000); and (ii) if the Fixed Rent Commencement Date occurs in year 2018, then the Fixed Rent Base Amount shall be equal to the mathematical product resulting from multiplying 1.0175 by \$6,600,000; and (iii) if the Fixed Rent Commencement Date occurs in year 2019, then the Fixed Rent Base Amount shall be equal to the mathematical product resulting from multiplying 1.0175 by \$6,715,500 (derived from 1.0175 X \$6,600,000); and (iv) with respect to each calendar year thereafter within which the Fixed

Rent Commencement Date may occur, the Fixed Rent Base Amount shall escalate in the same fashion (i.e. escalating annually, compounding annually).

6.2.1 First Fixed Rent. Tenant shall pay Landlord, in advance, the “First Fixed Rent” (as described below) on or before the date it is due.

The First Fixed Rent shall be due and payable upon the earliest date of the following: (i) the Completion of Construction of the Event Center; (ii) the first ticketed event (for which there is a charge for the ticket) held in and utilizing any portion of the Event Center as a sports stadium or public entertainment facility; or (iii) exactly one year after the Initial Rent Payment Date (the earliest date shall be the “Fixed Rent Commencement Date”).

The amount of the First Fixed Rent shall be calculated as follows: (i) in the event that the Fixed Rent Commencement Date falls on the first day of a Fixed Rent Year (i.e. April 1st), then no proration of the rent amount is necessary, and the amount of the First Fixed Rent shall be equal to the Fixed Rent Base Amount (as defined above); or (ii) in the event that the Fixed Rent Commencement Date falls on a day other than the first day of a Fixed Rent Year (i.e. April 1st), then the First Fixed Rent for such partial Fixed Rent Year shall be appropriately prorated by multiplying the Fixed Rent Base Amount by a fraction (“First Proration Fraction”), the numerator of which is the number of days in that partial Fixed Rent Year that have not completely passed as of the Fixed Rent Commencement Date (the day on which the Fixed Rent Commencement Date falls shall be deemed to not have completely passed) and the denominator of which is the total number of days in that entire Fixed Rent Year. The illustration set forth in Section 6.2.4 below demonstrates the foregoing calculation under various hypothetical scenarios.

6.2.2 Intermediate Fixed Rent. Tenant shall pay Landlord annually, in advance, each “Intermediate Fixed Rent” (as described below) on or before the date it is due.

The first Intermediate Fixed Rent shall be due and payable on the first April 1st after the Fixed Rent Commencement Date (if the Fixed Rent Commencement Date falls on a April 1st, then the first Intermediate Fixed Rent is due and payable on the April 1st of the following year), and thereafter, each Intermediate Fixed Rent shall be due and payable on the first day of each Fixed Rent Year (i.e. April 1st).

The amount of the first Intermediate Fixed Rent shall be calculated as follows: (i) in the event that proration of the First Fixed Rent was not necessary because the Fixed Rent Commencement Date fell on a day that was the first day of a Fixed Rent Year (i.e. April 1st), then the amount of the first Intermediate Fixed Rent shall be equal to the mathematical product resulting from multiplying 1.0175 by the Fixed Rent Base Amount; (ii) in the event that the First Fixed Rent was prorated and the First Proration Fraction (defined above) was less than $\frac{1}{2}$, then the amount of the first Intermediate Fixed Rent shall be equal to the Fixed Rent Base Amount; or (iii) in the event that the First Fixed Rent was prorated and the First Proration Fraction was equal to or more than $\frac{1}{2}$, then the amount of the first Intermediate Fixed Rent shall be equal to the mathematical product resulting from multiplying 1.0175 by the Fixed Rent Base Amount. After the first Intermediate Fixed Rent, each “Intermediate

Fixed Rent” thereafter shall be in the amount equal to the mathematical product resulting from multiplying 1.0175 by the Intermediate Fixed Rent for the previous Fixed Rent Year. The illustration set forth in Section 6.2.4 below demonstrates the foregoing calculation under various hypothetical scenarios.

6.2.3 Last Fixed Rent. Tenant shall pay Landlord, in advance, the “Last Fixed Rent” (as described below) on or before the date it is due.

The Last Fixed Rent shall be due and payable on the last April 1st before the day on which this Lease expires or terminates (if this Lease expires or terminates on a April 1st, then the Last Fixed Rent shall be due on that day). If this Lease terminates earlier than anticipated and Tenant has paid Fixed Rent beyond the Lease termination date, then Landlord shall refund to Tenant any overpayment portion of the Last Fixed Rent.

The amount of the Last Fixed Rent shall be calculated as follows: (i) in the event that this Lease expires or terminates on the last day of a Fixed Rent Year (*i.e.* March 31st), then the Last Fixed Rent shall not require proration, and the amount of the Last Fixed Rent shall be equal to the mathematical product resulting from multiplying 1.0175 by the Intermediate Fixed Rent for the previous Fixed Rent Year; or (ii) in the event that this Lease expires or terminates on a day other than the last day of a Fixed Rent Year, then the Last Fixed Rent shall be appropriately prorated by multiplying: (a) the mathematical product resulting from multiplying 1.0175 by the Intermediate Fixed Rent for the previous Fixed Rent Year by (b) a fraction, the numerator of which is the number of days of the partial Fixed Rent Year that have partially or completely passed prior to the Lease expiration or termination (the day on which the date of expiration/termination falls shall be deemed to have partially passed) and the denominator of which is the total number of days in that entire Fixed Rent Year. The illustration set forth in Section 6.2.4 below demonstrates the foregoing calculation under various hypothetical scenarios.

6.2.4 Hypothetical Illustrations. For illustrative purposes only and to demonstrate the method of calculating the Fixed Rent, the three hypothetical scenarios set forth below illustrate their respective rent payment schedules based on the common assumptions that: (i) the Fixed Rent Base Amount equals \$1,000,000; (ii) this Lease is terminated earlier than its full term; and (iii) no leap year is involved in any proration of rent. All of the hypothetical rent amounts and dates used in this Section 6.2.4 are not projections and are not intended to reflect reality or any party’s expectation.

[Remainder of this page intentionally left blank; see following page]

	Hypothetical #1		Hypothetical #2		Hypothetical #3	
	Fixed Rent Commencement Date = 3/31/2015	Lease termination effective as of 4/1/2040	Fixed Rent Commencement Date = 4/1/2015	Lease termination effective as of 3/31/2040	Fixed Rent Commencement Date = 4/2/2015	Lease termination effective as of 3/30/2040
First Fixed Rent	Due: 3/31/2015 Amount: \$2,739.73 [(\$1,000,000)X(1/365)]		Due: 4/1/2015 Amount: \$1,000,000 (no proration necessary)		Due: 4/2/2015 Amount: \$997,260.27 [(\$1,000,000)X(364/365)]	
1st Intermediate Fixed Rent	Due: 4/1/2015 Amount: \$1,000,000 (no escalation because 1/365 is less than ½)		Due: 4/1/2016 Amount: \$1,017,500 (1.75% escalation annually; compounding annually)		Due: 4/1/2016 Amount: \$1,017,500 (1.75% escalation annually; compounding annually; because 364/365 is greater than ½)	
2nd Intermediate Fixed Rent	Due: 4/1/2016 Amount: \$1,017,500 (1.75% escalation annually; compounding annually)		Due: 4/1/2017 Amount: \$1,035,306.25 (1.75% escalation annually; compounding annually)		Due: 4/1/2017 Amount: \$1,035,306.25 (1.75% escalation annually; compounding annually)	
3rd Intermediate Fixed Rent	Due: 4/1/2017 Amount: \$1,035,306.25 (1.75% escalation annually; compounding annually)		Due: 4/1/2018 Amount: \$1,053,424.11 (1.75% escalation annually; compounding annually)		Due: 4/1/2018 Amount: \$1,053,424.11 (1.75% escalation annually; compounding annually)	
<i>passage of time</i>						
Last Fixed Rent	Due: 4/1/2040 Amount: [(the Intermediate Fixed Rent due on 4/1/2039 X 1.0175) X (1/365)] If Fixed Rent in the amount equal to [the Intermediate Fixed Rent due on 4/1/2039 X 1.0175] was paid on 4/1/2040, then refund shall be in the amount equal to [(the Intermediate Fixed Rent due on 4/1/2039 X 1.0175) X (364/365)]		Due: 4/1/2039 Amount: the Intermediate Fixed Rent due on 4/1/2038 X 1.0175 (no proration necessary; and no refund necessary)		Due: 4/1/2039 Amount: [(the Intermediate Fixed Rent due on 4/1/2038 X 1.0175) X (364/365)] If Fixed Rent in the amount equal to [the Intermediate Fixed Rent due on 4/1/2038 X 1.0175] was paid on 4/1/2039, then refund shall be in the amount equal to [(the Intermediate Fixed Rent due on 4/1/2038 X 1.0175) X (1/365)]	

The parties agree that, once the Fixed Rent Commencement Date and the Primary Term Commencement Date have been determined, the parties shall, as soon as practicable, enter into a written acknowledgement confirming the applicable rent schedule, and the amount and payment due date of each Fixed Rent through the end of the Primary Term.

6.2.5 Relationship between Rent Payment Timeline and Lease Term Timeline.

The parties hereby acknowledge that it is possible that the Fixed Rent Commencement Date may not coincide with the Primary Term Commencement Date and that the Fixed Rent Commencement Date may fall within the Construction Term. In such event, any Fixed Rent due and/or paid prior to the Primary Term Commencement Date shall not grant Tenant any right that Tenant may have during the Primary Term but does not have during the Construction Term in accordance with the terms of this Lease.

6.3 Additional Rent; Definition of "Rent". In addition to the Initial Rent and any Fixed Rent, Tenant shall pay Landlord Additional Rent when due. Initial Rent, Fixed Rent (including the First Fixed Rent, all Intermediate Fixed Rent, and the Last Fixed Rent), and Additional Rent shall collectively be referred to herein as "Rent". All Rent shall be paid to Landlord at the address to which notices to Landlord are given pursuant to Section 44 below, or at such other place as Landlord may from time to time designate in writing.

6.4 Credit Towards Rent. There shall be no credit against or abatement of Rent of any kind, except for the Tax-Based Rent Credit (which comprises both PIT Rent Credit and Construction Sales Tax Rent Credit, as specified in Section 6.4.1 below) and the GFA-Based Rent Credit (which comprises both Excess GFA Source Rent Credit and Excess GFA Deposit Rent Credit, as specified in Section 6.4.2 below).

6.4.1 Tax-Based Rent Credit.

6.4.1.1 Definitions. For purposes of Section 6.4.1, the following terms shall have the meaning ascribed thereto below:

"Paid" shall mean the actual transfer of funds from the tax-paying entity to the tax-collecting entity in connection with any payment of tax, evidenced by supporting documentation that the tax-paying entity's check has "cleared" or immediately available funds have been wired, electronically transferred or otherwise paid to the tax-collecting entity, provided that any amount refunded to the tax-paying entity for any reason shall not be considered paid and shall be subject to Section 6.4.4 below.

"Received" shall mean City's actual receipt of tax funds; provided, however, that to the extent City does not actually receive tax funds which City is entitled to receive due to the fact that City has voluntarily pledged or otherwise contracted away such tax funds to a third party, such tax funds shall be deemed received when they would have been made available to City but for such pledge or other arrangement with such third party.

"Tax-Based Rent Credit Period" shall mean the period of time commencing upon the Effective Date and ending upon the day that immediately precedes the Fixed Rent Commencement Date.

“Event Center PIT” shall mean the possessory interest tax levied, from time to time, by the County for any period of time within the Tax-Based Rent Period (regardless of when the tax bill is actually sent by the County) in connection with Tenant’s possessory interest under this Lease.

“Parking Garages PIT” shall mean the possessory interest tax levied, from time to time, by the County for any period of time within the Tax-Based Rent Period (regardless of when the tax bill is actually sent by the County) in connection with the possessory interest of the tenant(s) under both of the New Parking Garage Leases.

“Applicable PIT” shall mean, collectively, the Event Center PIT and the Parking Garages PIT. Applicable PIT shall not include: (i) any business personal property tax, (ii) any tax imposed on Tenant’s or L.A. Parking Structures LLC’s personal property, and (iii) any tax levied for any general obligation bond issued by the City or any special or direct assessments/levies.

“City’s Portion of Applicable PIT” shall mean that portion of the Applicable PIT Paid to the County and Received by the City as City’s funds.

“Applicable Construction Sales Tax” shall mean the construction sales tax levied, from time to time within the Tax-Based Rent Credit Period, by the State on construction materials used in the initial construction of the Event Center.

“City’s Portion of Applicable Construction Sales Tax” shall mean that portion of the Applicable Construction Sales Tax Paid to the State and Received by the City as City’s funds.

6.4.1.2 PIT Rent Credit. From time to time and subject to the terms and conditions of this Section 6.4, Tenant shall be entitled to credit(s) against Initial Rent and/or Fixed Rent, as applicable, based on the then Received City’s Portion of Applicable PIT, applied on a one-dollar-for-one-dollar basis not accounting for any interest accrued in City’s favor (“PIT Rent Credit”). Tenant shall have no right to any credit based on possessory interest tax levied for any period of time outside the Tax-Based Rent Credit Period. Tenant shall pay, and shall require the tenant(s) under both of the New Parking Garage Leases, to pay, all possessory interest tax on or prior to its due date.

6.4.1.3 Construction Sales Tax Rent Credit. From time to time and subject to the terms and conditions of this Section 6.4, Tenant shall be entitled to credit(s) against Initial Rent and/or Fixed Rent, as applicable, based on the then Received City’s Portion of Applicable Construction Sales Tax, applied on a one-dollar-for-one-dollar basis not accounting for any interest accrued in City’s favor (“Construction Sales Tax Rent Credit”). Tenant shall have no right to claim any credit based on construction sales tax levied at any time outside the Tax-Based Rent Credit Period.

Tenant shall pay, or cause to be paid, all construction sales tax on or prior to its due date.

6.4.1.4 Calculation and Application of Tax-Based Rent Credit.

- (a) For purposes of calculating any PIT Rent Credit or Construction Sales Tax Rent Credit (individually or collectively, "Tax-Based Rent Credit"), and before Tenant is entitled to apply any Tax-Based Rent Credit against any installment of Initial Rent or Fixed Rent due, Tenant shall submit to Landlord, no later than sixty (60) calendar days prior to the date that Tenant intends to apply the proposed Tax-Based Rent Credit (collectively, "Tenant's Tax-Based Rent Credit Submission"): (i) copies of Tenant's applicable tax bills and reasonable documentation confirming the date such Paid taxes are levied/imposed and the exact amounts of all pertinent taxes actually levied and Paid, (ii) any documentation reasonably necessary to calculate any proposed Tax-Based Rent Credit, and (iii) Tenant's calculation of the proposed Tax-Based Rent Credit in accordance with the terms of this Section 6.4.

- (b) If Landlord reasonably disputes Tenant's calculation of the Tax-Based Rent Credit, then Landlord shall notify Tenant, in writing, of the same ("Landlord's Tax-Based Rent Credit Dispute Notice") within thirty (30) calendar days after Landlord's receipt of Tenant's Tax-Based Rent Credit Submission. Any Landlord's Tax-Based Rent Credit Dispute Notice shall set forth in reasonable detail the nature of Landlord's dispute and Landlord's calculation of the Tax-Based Rent Credit in accordance with the terms of this Section 6.4. If Landlord fails to timely deliver the Landlord's Tax-Based Rent Credit Dispute Notice, then Landlord shall be deemed to have denied the proposed Tax-Based Rent Credit set forth in Tenant's Tax-Based Rent Credit Submission. If Landlord timely delivers the Landlord's Tax-Based Rent Credit Dispute Notice, then Landlord and Tenant hereby agree to work cooperatively to calculate the applicable Tax-Based Rent Credit in accordance with the terms of this Section 6.4. In such event, upon Landlord's and Tenant's mutual agreement on the calculation of the applicable Tax-Based Rent Credit in accordance with the terms of this Section 6.4, the parties will memorialize in writing the agreed-upon amount for the Tax-Based Rent Credit. If Landlord fails to timely deliver Landlord's Tax-Based Rent Credit Dispute Notice, or Landlord and Tenant cannot reach mutual agreement on the calculation of the applicable Tax-Based Rent Credit within thirty (30) calendar days after the Tax-Based Rent Credit Dispute Notice, then (i) Landlord and Tenant agree to abide by the calculation of the Tax-Based Rent Credit determined by a reputable, independent consultant who is experienced with the subject matter and acceptable to both Landlord and Tenant, and (ii) no Tax-Based Rent Credit shall be applied against any Rent until such independent consultant has determined the Tax-Based Rent Credit to which Tenant is

entitled in accordance with the terms of this Section 6.4. Landlord and Tenant shall each pay one-half of the fees, expenses and other costs incurred in connection with the engagement of such independent consultant.

- (c) After the amount of a Tax-Based Rent Credit has been determined pursuant to the terms and conditions of this Section 6.4, Tenant shall be entitled to apply such Tax-Based Rent Credit against the payment of Initial Rent and/or the next installment(s) of Fixed Rent, as applicable, due after such determination.
- (d) Notwithstanding anything to the contrary, the total amount of all of the Tax-Based Rent Credits to which Tenant is entitled under this Lease shall not exceed the amount of the Initial Rent.

6.4.2 GFA-Based Rent Credit.

6.4.2.1 Excess GFA Source Rent Credit. Subject to the terms and conditions of this Section 6.4, Tenant shall be entitled to credit against the next installment(s) of Fixed Rent due after the amount of such credit has been determined based on the calculation performed in accordance with Section 3.2 of the Gap Funding Agreement, applied on a one-dollar-for-one-dollar basis not accounting for any interest accrued in City's favor ("Excess GFA Source Rent Credit"). In no event shall the amount of the Excess GFA Source Rent Credit exceed the amount of the Defeasance Cost (as defined in the Gap Funding Agreement). For purposes of calculating the Excess GFA Source Rent Credit and before Tenant is entitled to apply any Excess GFA Source Rent Credit against any installment of Fixed Rent due, Tenant shall submit to Landlord, no later than sixty (60) calendar days prior to the date that Tenant intends to apply the proposed Excess GFA Source Rent Credit: (i) any documentation reasonably necessary to calculate any proposed Excess GFA Source Rent Credit and (ii) Tenant's calculation of the proposed Excess GFA Source Rent Credit in accordance with the terms of this Section 6.4. In the event that Landlord and Tenant cannot reach mutual agreement on the amount of the Excess GFA Source Rent Credit within thirty (30) calendar days after Tenant delivers its written determination of the proposed Excess GFA Source Rent Credit to Landlord or Landlord fails to deliver written notice to Tenant that Landlord disputes Tenant's determination of the Excess GFA Source Rent Credit within thirty (30) calendar days after Tenant delivers Tenant's written determination of the same to Landlord, the same dispute resolution process set forth in Section 6.4.1.4(b) above shall be followed by the parties hereto.

6.4.2.2 Excess GFA Deposit Rent Credit. From time to time and subject to the terms and conditions of this Section 6.4, Tenant shall be entitled to credit against the next installment(s) of Fixed Rent due after the amount of such credit has been determined based on the calculation performed in accordance with Section 3.8 of the Gap Funding Agreement, applied on a one-dollar-for-one-dollar basis not accounting

for interest accrued in favor of City (“Excess GFA Deposit Rent Credit”, together with the “Excess GFA Source Rent Credit”, the “GFA-Based Rent Credit”). For purposes of calculating the Excess GFA Deposit Rent Credit and before Tenant is entitled to apply any Excess GFA Deposit Rent Credit against any installment of Fixed Rent due hereunder, Tenant shall submit to Landlord, no later than sixty (60) calendar days prior to the date that Tenant intends to apply the proposed Excess GFA Deposit Rent Credit: (i) any documentation reasonably necessary to calculate any proposed Excess GFA Deposit Rent Credit and (ii) Tenant’s calculation of the proposed Excess GFA Deposit Rent Credit in accordance with the terms of this Section 6.4. In the event that Landlord and Tenant cannot reach mutual agreement on the amount of the Excess GFA Deposit Rent Credit within thirty (30) calendar days after Tenant delivers its written determination of the proposed Excess GFA Deposit Rent Credit to Landlord or Landlord fails to deliver written notice to Tenant that Landlord disputes Tenant’s determination of the Excess GFA Deposit Rent Credit within thirty (30) calendar days after Tenant delivers Tenant’s written determination of the same to Landlord, the same dispute resolution process set forth in Section 6.4.1.4(b) above shall be followed by the parties hereto.

6.4.3 Rent Credit Carry-Over. In the event that the amount of any Tax-Based Rent Credit or GFA-Based Rent Credit (collectively referred to as “Rent Credit”) is larger than the next installment of Initial Rent or Fixed Rent, as applicable, against which such Rent Credit is credited, the excess portion of such Rent Credit that is not used shall be carried over and applied against the following Fixed Rent installment(s) due until such Rent Credit is fully exhausted.

6.4.4 Tax Refund; Payment of Additional Rent. From time to time, to the extent that any portion of any tax used to generate Rent Credit is refunded for whatever reason, and Tenant has already applied such Rent Credit towards an installment of Rent, Tenant shall make a payment to Landlord in the form of Additional Rent in an amount equal to the refunded amount within thirty (30) calendar days after receipt of such refund.

6.4.5 No Double Counting of Rent Credit. No tax or any other funds used to calculate and generate rent credit described in this Section 6.4 shall be: (i) used to generate credit against or otherwise abate or reduce any other obligation set forth in this Lease or any of the Other Agreements or (ii) used to reduce or satisfy any Gap Funding Obligation (as defined in the Gap Funding Agreement).

6.4.6 Payment of Full Amount of Rent. Tenant shall pay the full amount of each installment of Initial Rent and Fixed Rent when it is due, unless Tenant is entitled to Rent Credit against such Initial Rent or Fixed Rent pursuant to this Section 6.4. Any Rent Credit, or any portion thereof, to which Tenant is entitled shall not be effective to abate or otherwise reduce any Rent until after the Rent Credit is determined in accordance with the terms of this Section 6.4.

6.5 **Force Majeure Not Applicable.** Any force majeure provision or principle, including without limitation the provisions of Section 27 below, shall not apply to any of Tenant's Rent payment obligations under this Lease.

7. **ADDITIONAL PAYMENTS BY TENANT; IMPOSITIONS.**

7.1 **Landlord's Net Return.** The parties intend that this Lease shall constitute a "triple net lease" so that the Initial Rent and Fixed Rent shall provide Landlord with "net" return for the Term, free of any expenses or charges with respect to the Premises, except as specifically provided in this Lease. Accordingly, Tenant shall pay as Additional Rent and discharge, before delinquency (but subject to the terms of this Lease, including any applicable cure periods), each and every item of expense, of every kind and nature whatsoever, including Impositions or other amounts customarily paid by a tenant under a "triple net lease" or otherwise payable by Tenant in accordance with the terms of this Lease.

7.2 **Impositions.** For any period within the Term (with daily proration for periods partially within the Term and partially outside the Term), Tenant shall pay and discharge all Impositions, before delinquency (but subject to the terms of this Lease, including any applicable cure periods). If Tenant fails to pay any Imposition before the expiration of any applicable cure period, and such failure results in a Tenant Default under this Lease, Landlord shall be entitled to require Tenant to deposit sufficient funds into a depository account in advance of the next succeeding Imposition due date to avoid such succeeding delinquency. The rights of Landlord under any such depository account shall be subject to the rights of all Qualified Leasehold Mortgagees.

7.3 **Assessments in Installments.** To the extent permitted by Law, Tenant shall have the right to apply for conversion of any assessment to cause it to be payable in installments. After such conversion, Tenant shall pay and discharge such installments of such assessment as shall become due and payable during the Term (with daily proration for periods partially within the Term and partially outside the Term).

7.4 **Utilities.** Tenant shall pay all fuel, oil, gas, light, power, water, sewage, garbage disposal, telephone, cable and other utility charges, and the expenses of installation, maintenance, use and service in connection with the foregoing, relating to Tenant's use of the Premises or the Event Center during the Term.

8. **USE.**

8.1 **Generally.** During the Non-Possessory Period, subject to Section 29 below, Tenant may enter onto the Premises for inspection purposes and to conduct necessary pre-construction testing, planning and other customary pre-development activities. During the Construction Term, Tenant may use the Premises only to carry out demolition and construction activities necessary for the construction of the Event Center and related improvements in accordance with this Lease and the Implementation Agreement. During the Primary Term, Tenant may use the Premises for the operation of the Event Center in accordance with this Section 8 and in compliance with Law, and so long as the Event Center has been or is being developed and, if developed, is being operated as required hereunder, for all other ancillary uses permitted by applicable Law, except that the

following uses are prohibited: (i) gun shows or the sale of guns and ammunition and (ii) Adult Entertainment Businesses. All permitted uses under this Lease: (a) shall be subject to the requirement in this Lease to make the LACC Space Requirements available for use by the City in accordance with the terms of this Lease and the Macro Booking Policy (defined below) and (b) must not cause Tenant to violate the non-competition requirements in Section 43.5 below.

8.2 Operating Covenant. Tenant shall manage and operate the Event Center, or cause the Event Center to be managed and operated, as a multipurpose sports, entertainment, and recreational facility, in compliance with Law and in a manner consistent with the manner and standards by which Comparable Facilities are managed and operated, and shall perform maintenance and capital improvements necessary to maintain the Event Center in a manner comparable to that in which Comparable Facilities are maintained. "Comparable Facilities" shall be deemed to include Cowboys Stadium in Arlington, Texas, Meadowlands Stadium in Newark, New Jersey, and Lucas Oil Stadium in Indianapolis, Indiana, as well as any stadiums in which NFL Team(s) regularly play their games and which are completed within three (3) years of Completion of the Event Center ("Comparable Facilities"). In its operation of the Event Center, Tenant shall, from time to time, in accordance with this Lease, Article IX of the Implementation Agreement (which article is titled "Campus Operation and Cooperation Policy"), and all future policies adopted pursuant to such Article IX (such Article IX and all future policies adopted pursuant thereto shall be collectively referred to herein as "Macro Booking Policy"), make the Event Center available for use by the Landlord for conventions and exhibitions. Tenant shall operate the Event Center in a commercially reasonable manner, and in accordance therewith, shall conduct (or shall make available to Landlord with respect to conventions and similar meetings) sporting, recreational, and entertainment events, concerts, conventions, and meetings in the Event Center with commercially reasonable frequency. For purposes of this Section 8.2, "commercially reasonable" refers to the standard generally established by the operators of Comparable Facilities.

8.3 Parking. Tenant shall comply with all applicable parking-related Laws in connection with Tenant's use of the Event Center, including without limitation all parking requirements set forth in the Specific Plan.

8.4 Signage. The rights and obligations of Landlord and Tenant with respect to signage on and around the Event Center shall be governed by the signage provisions of the Specific Plan, the Signage District rules and regulations, and the Signage Agreement, as may be modified or amended from time to time (collectively, the "Signage Documents"), which Signage Documents are incorporated herein as if set forth in full; provided, that if at any time during the Term of this Lease, any of the Signage Documents is no longer in effect, the parties shall continue to be governed by such incorporated provisions as if set forth herein in full. Throughout the Term of this Lease, if Tenant is out of compliance with any of the Signage Documents (subject to all applicable notice and cure periods), Landlord, in its Proprietary Capacity, shall have remedies under this Lease in addition to remedies Landlord may have under the Signage Documents in Landlord's Governmental Capacity.

8.5 NFL Team Covenants by Tenant:

8.5.1 Venue Contracts. As a material representation to this Lease, Tenant hereby

represents that Tenant has entered into a contract or contracts (“Venue Contracts”) with one or more NFL Teams to play in the Event Center as their primary home stadium. The term of at least one of the Venue Contracts (“Primary Venue Contract”) must commence on or prior to the Close of Escrow and terminate on the later of either (i) thirty (30) years after the Primary Term Commencement Date, or (ii) the final maturity date of the last “Lease Revenue Bonds” (as defined in the Implementation Agreement) originally issued in connection with the construction of the New Hall (“Primary Venue Contract Term”). The term of any second Venue Contract may, at Tenant’s sole discretion, be for a term less than the Primary Venue Contract Term.

8.5.2 Primary Venue Contract. To the extent that any NFL Team relocates to the Los Angeles area prior to the Completion of the Event Center pursuant to the Primary Venue Contract, the Primary Venue Contract must require the NFL Team to play Substantially All Home Games in the County until Completion of the Event Center, and thereafter to play the remaining Substantially All Home Games during the Primary Venue Contract Term in the Event Center. Landlord shall be entitled to either receive a collateral assignment of Tenant’s interest in all Venue Contracts (including the right to assume Tenant’s right and obligations thereunder) as security for Tenant’s obligations hereunder, or the right to directly enter into a separate Venue Contract with each NFL Team reasonably satisfactory to Landlord, Tenant and the applicable NFL Team. In the event of a termination of this Lease as a result of a Tenant Default hereunder, subject to the terms and conditions of any collateral security agreement or direct Venue Contract entered into by the parties, Landlord shall have the right to take over all existing Venue Contracts and all related contracts (including the existing naming contract with Farmers Insurance), subject to the rights of the Qualified Leasehold Mortgagees.

8.5.3 Additional Venue Contract. In the event that Tenant is in a Primary Venue Contract with one NFL Team, Tenant, at its sole and absolute discretion, may (but shall have no obligation to) enter into a Venue Contract with a second NFL Team with a different term and on other terms acceptable to Tenant in its sole and absolute discretion.

8.5.4 Coliseum. To the extent that any NFL Team moves to the Los Angeles area pursuant to a Venue Contract, including the Primary Venue Contract, prior to the Completion of the Event Center, Tenant shall use its commercially reasonable efforts to cause such NFL Team to actively pursue an arrangement providing for such NFL Team to play its NFL home games at the Los Angeles Coliseum until the Event Center is Completed; provided, however, that neither Tenant nor such NFL Team shall have any obligation to enter into such an arrangement unless they can do so on a commercially reasonable basis taking into account all relevant factors.

8.5.5 Tenant’s Obligation to Extend Term. During the two (2) years prior to the expiration of the Primary Venue Contract, Tenant shall make commercially reasonable efforts to either extend the term of the Primary Venue Contract or enter into a new Primary Venue Contract with another NFL Team, which extended Primary Venue Contract or new Primary Venue Contract shall have the longest term then available on commercially reasonable terms. It is the intention of the parties that the extended Primary Venue Contract or the new Primary Venue Contract shall expire at the expiration of the Term of this Lease; provided, however, that after such commercially reasonable efforts, Tenant shall have no further obligations under this Lease pertaining to NFL Teams if it is unsuccessful in so obtaining such extension or new agreement.

8.5.6 Business License Tax. All Venue Contracts must require the NFL Teams to agree that the City of Los Angeles business license taxes shall be paid on all Event Center-related revenues, including without limitation ticket sales, premium seating, concessions, parking, personal seat license sales, on-site merchandise, sponsorship sales, and local media rights revenue.

8.5.7 Tenant's Covenants Regarding the Primary Team Venue Contract. Tenant covenants that: (i) Tenant will not agree to terminate or modify the Primary Venue Contract in a manner that will materially adversely affect Tenant's ability to enforce the Primary Venue Contract, (ii) Tenant will use its commercially reasonable efforts to enforce its rights under the Primary Venue Contract, and (iii) Tenant will not allow the Primary Venue Contract to be terminated or modified, or any other agreement to be entered into, the effect of which would be to (x) reduce the commitment of NFL Team 1 to play Substantially All Home Games at the Event Center during the Primary Venue Contract Term (other than in connection with a Force Majeure Event), or (y) materially adversely affect Landlord's security or enforcement rights under or to the Primary Venue Contract (the actions described in (i) and (iii) above may be referred to herein as a "Material Primary Venue Contract Modification"). No Material Primary Venue Contract Modification may be made without the prior written consent of Landlord, which shall not be unreasonably conditioned, denied or delayed. Any attempt to make a Material Primary Venue Contract Modification without the prior written consent of Landlord shall have no effect and shall be null and void. Tenant must comply with, and use its commercially reasonable efforts to enforce its rights under, the Primary Team Venue Contract, and must not intentionally take or fail to take any actions the effect of which would be to relieve NFL Team 1 from its obligation to play Substantially All Home Games at the Event Center during the term of the Primary Venue Contract.

8.5.8 Landlord's Security Interest in Venue Contracts. Tenant shall execute and deliver such documentation reasonably requested by Landlord in order to ensure that Landlord has a valid security interest in each Venue Contract. In addition, Tenant shall cause the NFL Team under each Venue Contract to consent to Landlord's security interest.

8.5.9 Failure of Team to Play in Event Center. If at any time during the Primary Venue Contract Term, NFL Team 1 (or a replacement NFL Team) fails to play Substantially All Home Games at the Event Center (other than in connection with a Force Majeure Event), Tenant shall: (i) take such steps as are reasonably necessary to enforce Tenant's rights against such NFL Team, (ii) cooperate with Landlord as reasonably required in connection with the Landlord's pursuit of any rights it may have directly against such NFL Team, and (iii) use its good faith commercially reasonable efforts to secure a replacement NFL Team. The parties agree that: (x) Tenant's breach of its obligations set forth in (i), (ii), or (iii) above, or (y) the failure of Tenant to maintain at least one NFL Team in the Event Center through the Primary Venue Contract Term as a result of Tenant's breach of its obligations under any Venue Contract shall in each instance, subject to applicable notice and cure periods, constitute a default by Tenant under this Lease.

8.5.10 Early Team Termination Due to Tenant Default. In the event of the early termination of this Lease due to Tenant's default which continues beyond applicable notice and cure periods, subject to the terms and conditions of any collateral security agreement or direct Venue Contract entered into by the parties, and the rights of any Qualified Leasehold Mortgagees as provided in this Lease and any agreement that may be entered into between any such Qualified

Leasehold Mortgagees and Landlord, Landlord shall have the right, but not the obligation, to assume all of Tenant's rights under all existing Venue Contracts and all Event Center operating contracts (including but not limited to those agreements regarding ticket sales, premium seating, concessions, parking, permanent or other seat license sales, on-site merchandise, sponsorship sales, signage, naming rights, and media rights revenue) ("Operating Contracts").

8.5.11 Team Estoppel Certificates. If requested by Landlord, Tenant shall, within 30 days following Landlord's request, but not more than once per year unless Tenant is then in default of its obligations under this Lease beyond applicable notice and cure periods, provide to Landlord estoppel certificate(s) from the NFL Team(s) in the form of the attached Exhibit D or such other form as is reasonably acceptable to Landlord.

8.6 Continued Existence. Tenant covenants to maintain its continued legal existence throughout the Term of this Lease.

8.7 Responsibility for Financing. Tenant covenants that any funding and financing required in connection with the development (including without limitation demolition on the Premises) and operation of the Event Center shall be the sole responsibility and cost of Tenant.

8.8 [Intentionally Omitted]

8.9 Taxes.

8.9.1 Sales Tax Origin. Tenant shall designate, and shall use good faith efforts to require its contractors, subcontractors, vendors and other third parties under its control or with whom it enjoys privity of contract to designate, the City as the point of sale for California sales and use tax purposes (to the extent the payment of sales and use tax is required by Law), for all purchases of materials, fixtures, furniture, machinery, equipment and supplies for the Event Center during the construction thereof and for all sales of tickets, food, merchandise and other items in connection with Event Center events and operations, it being the mutual intent of the parties that to the greatest extent practicable the City will be designated as the point of sale for California sales and use tax purposes (to the extent the payment of sales and use tax is required by Law) for all such purchases in connection with Event Center events and operations.

8.9.2 City Parking Tax. The New Parking Structures, AEG's Olympic West and Olympic East garages within the L.A. Live project, and all other parking facilities and all parking spaces directly associated with the Event Center or otherwise controlled by Tenant or its Affiliates shall be subject to any generally imposed City-wide parking tax in effect from time to time. All tickets for Event Center events which include parking rights shall have the parking cost segregated (or segregatable) in a manner which makes the parking cost subject to any and all generally imposed City-wide parking taxes. Tenant shall not, and shall not permit others to, price or sell parking spaces in connection with luxury boxes, club seats or other seats at the Event Center or by any other method in connection with the Event Center in a manner which would avoid generally imposed City-wide parking taxes.

8.9.3 Personal Property Taxes. Tenant shall pay, or cause to be paid, before delinquency, any and all taxes levied or assessed, and which become payable during the Term

hereof, upon any of Tenant's leasehold improvements, equipment, furniture, fixtures and personal property located on the Premises.

8.9.4. Possessory Interest Tax. By executing this Lease and accepting the benefits thereof, a property interest may be created known as "possessory interest" and such property interest will be subject to property taxation. Tenant, as the party in whom the possessory interest is vested, may be subject to the payment of the property taxes levied upon such interest. Tenant acknowledges that the notice required under California Revenue and Taxation Code section 107.6 has been provided.

8.10 Living Wage; Prevailing Wage. In connection with the construction and operation of the Event Center (including all demolition work on the Premises), Tenant shall comply, to the extent applicable, with the provisions of the City's Living Wage Ordinance. In connection with the construction of the Event Center (including all demolition work on the Premises), Tenant shall comply with the provisions of the State of California's "prevailing wages" requirements, as such requirements are accepted by and made applicable to the City.

8.11 Business Licenses. Tenant shall obtain, and shall use good faith efforts to require all Persons and entities with whom it contracts for services related to the construction and operation of the Event Center (including all demolition work on the Premises), in professions or fields to which the City's business license laws and taxes apply, that such Persons or entities obtain, City business licenses, and require their subcontractors to obtain, City business licenses, it being the mutual intent of the parties that to the greatest extent practicable Tenant will require such Persons and entities to obtain City business licenses.

9. QUIET ENJOYMENT.

Landlord covenants that, so long as this Lease has not expired or terminated in accordance with its terms, Tenant shall and may peaceably and quietly have, hold and enjoy the Premises for the Term, subject to the terms and provisions of this Lease. By such covenant, Landlord makes no representation or warranty as to the condition of title of the Premises beyond that set forth in Section 26.1 below or the suitability of the Premises for the Event Center.

10. LAWS.

During the Term, Tenant shall, at its own expense and effort, comply with all Laws affecting the Premises (including, without limitation, Laws relating to parking in connection with Tenant's use of the Event Center). Tenant shall obtain and pay for all permits and approvals required by Law in connection with Tenant's demolition/construction upon, operation, use and occupancy of the Premises and shall comply with all such permits and approvals. Tenant shall be responsible, at its sole cost and expense, for all improvements or alterations required from time to time to comply with Laws. Notwithstanding the foregoing, Tenant shall have the right to contest any such Laws, provided that Tenant shall, at all times during the Term, comply with its obligations under this Lease.

11. MAINTENANCE AND ALTERATIONS.

11.1 **Obligation To Maintain and Operate.** Except as otherwise expressly provided in this Lease, during the Term, Tenant shall, at its sole cost and expense, keep, maintain, and operate the Premises in accordance with the provisions of Section 8 of this Lease.

11.2 **Tenant's Right to Perform Alterations.** At Tenant's sole cost and expense, Tenant shall be entitled from time to time to make improvements, repairs or alterations to the Premises, and to alter, modify or reconstruct such improvements as are located on the Premises, as Tenant shall consider necessary or appropriate, subject to the terms of this Lease, including without limitation Sections 5.4 and 8.2, and subject to all Laws. If any such improvement, repair or alteration, including any such improvement, repair or alteration made pursuant to Section 8.2 (Operating Covenant) or Section 16 (Damage or Destruction), will: (i) alter the design of the exterior of the Event Center, and where the cost of such alteration is more than ten percent (10%) of the total development cost of the Event Center (which total development cost shall be increased by two percent (2%) per annum on a compounded basis throughout the Term on each anniversary of the Completion of the Construction of the Event Center), (ii) reduce the square footage of event space or meeting space in the Event Center below the thresholds specified for the LACC Space Requirements set forth in Section 1.2 above, or (iii) materially and adversely interfere with Landlord's use of the LACC Space Requirements as permitted under this Lease (each, a "Material Alteration"), then such Material Alteration shall be subject to Landlord's prior review and written approval. Such review and approval of any Material Alteration shall be carried out in accordance with the design review and approval process set forth in Article VII of the Implementation Agreement as if such Article VII were set forth in this Lease in its entirety (regardless of whether or not the Implementation Agreement is then in effect), provided that in any event, Landlord's approval shall not be unreasonably withheld, conditioned or delayed (the parties acknowledge that such standard of approval shall not apply to any approval sought from Landlord in Landlord's Governmental Capacity and that Landlord's right to review and approve the design of the Event Center under this Lease and the Implementation Agreement shall be in addition to any of Landlord's right to review and approve such design in Landlord's Governmental Capacity). Landlord's approval shall not be required for improvements, repairs or alterations which do not constitute a Material Alteration. In all cases other than in the event of an Emergency, Tenant will provide Landlord with not less than thirty (30) days' prior written notice of any proposed Material Alteration. Alterations shall not unreasonably interfere with the operation and business of the LACC without the written approval of Landlord, such approval not to be unreasonably withheld, conditioned or delayed (the parties acknowledge that such standard of approval shall not apply to any approval sought from Landlord in Landlord's Governmental Capacity). In no event shall the height of the Event Center exceed the lower of: (i) 220 feet or (ii) the height restriction under any Laws.

11.3 **Plans and Specifications.** To the extent that Tenant makes or permits to be made any improvements, repairs or alterations to the Premises (including initial construction of the Event Center), Tenant shall promptly provide Landlord with any plans and specifications (including

working plans and specifications and "as-built" plans and specifications) for such improvements, repairs or alterations.

11.4 Hazardous Substances and Environmental Remediation.

11.4.1 Tenant's Obligations. Tenant shall comply with all Environmental Laws at all times during the Term with respect to the Premises. Tenant may use any Hazardous Substance normally contained in janitorial supplies or otherwise normally used in the operation of facilities comparable to the Event Center, it being agreed that Tenant shall not use any other Hazardous Substances in, on or about the Event Center without Landlord's prior written consent. Tenant shall not Release any Hazardous Substance in, on or under the Premises or permit the Release of any Hazardous Substance in, on or under the Premises by any of its contractors, employees or agents. In the event of the discovery of Hazardous Substances or any Release of any Hazardous Substance in, on or under the Premises, whether prior to or after execution of this Lease and whether known or unknown at the time of execution of this Lease, Tenant shall notify Landlord immediately and promptly perform investigation and Remediation of such Release in compliance with all Environmental Laws at Tenant's sole cost and expense. Notwithstanding the foregoing, Tenant shall have no obligation to Remediate nor any other liability relating to any Release to the extent arising from the active negligence of, or any willful act committed by, Landlord or its officials, officers, boards, commissioners, employees, contractors and agents (including, without limitation, any act committed by Landlord or its officials, officers, boards, commissioners, employees, contractors and agents during the Non-Possessory Period) (collectively, the "Excluded Environmental Claims").

11.4.2 Intentionally Omitted.

11.4.3 Notice of Violation. Tenant shall notify Landlord immediately upon (a) discovery or Release of Hazardous Substances which Tenant is required to report to any Environmental Agency by any applicable Environmental Law or (b) receipt of notice from any Environmental Agency or other party asserting a violation of any Environmental Law or requiring Remediation of a Hazardous Substance located in, on or under the Premises.

11.4.4 Investigation and Remediation. Tenant, upon receipt of any notice of violation of any Environmental Law or other requirement to Remediate or upon receipt of any other knowledge that such a violation or event requiring Remediation may have occurred, shall promptly Investigate, determine the appropriate course of action with respect to such notice or requirement and Remediate, provided, however, that Tenant shall have no obligation to Remediate, nor any other liability relating to, any Excluded Environmental Claim. If Tenant is required to notify any Environmental Agency of the need for or results of its Investigation or Remediation by any applicable Environmental Laws, it shall also (a) notify Landlord of the need for and results of its Investigation and Remediation and (b) provide Landlord with copies of all documents filed with, or received from, any Environmental Agency with respect to such Investigation and Remediation. Any Investigation and any Remediation required of Tenant pursuant to the terms of this Lease shall be undertaken by the Tenant at its sole cost and expense.

11.4.5. Indemnification. Tenant hereby agrees to defend, indemnify and hold harmless Landlord and its officials, officers, boards, commissioners, employees and agents from and against: (a) any Claim(s) by any Environmental Agency or any other party arising from or related to any Release of a Hazardous Substance from, in, on, under or about the Premises, (b) any discovery or Release of Hazardous Substances from, in, on, under or about the Premises, (c) any Claim(s) arising from or related to violation of any Environmental Law with respect to the Premises ("Violation"); and/or (d) any Claim(s) reasonably associated with Investigation and/or Remediation of any Release from, in, on or under the Premises, in each case (a) through (d) above, whether occurring before or after the execution of this Lease and whether known or unknown, provided, however, that the foregoing indemnity shall not apply to any Excluded Environmental Claim. The foregoing indemnity and hold harmless agreement by the Tenant shall apply in accordance with its terms (but exclusive of any Excluded Environmental Claim) notwithstanding the negligent or grossly negligent acts or omissions to act of the Landlord, its officials, officers, boards, commissioners, employees, or agents, it being the intent of the parties that the Landlord shall not bear any cost or liability for Claims, Releases, Violations, Investigations or Remediations arising from or related to the Premises, other than to the extent arising from or related to Excluded Environmental Claims.

11.4.6 Release. Tenant hereby generally releases, waives, acquits, remises and forever discharges Landlord and its officials, officers, boards, commissioners, employees and agents from and against any Hazardous Substance or Claim which Tenant now has or may have or which may arise in the future with respect to any Claim, Release, Violation, Investigation and/or Remediation to which the indemnity described in Section 11.4.5 would apply, whether occurring before or after the execution of this Lease and whether known or unknown at the time of execution of this Lease, except in all cases that this release of claims shall not apply to the Excluded Environmental Claims. With respect to this Agreement, Tenant specifically waives the benefit of California Civil Code Section 1542 which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

The foregoing release of Landlord by Tenant shall apply in accordance with its terms (exclusive of the Excluded Environmental Claims), notwithstanding the negligent or grossly negligent act or omission to act of the Landlord, or its officers, officials, boards, commissioners, employees, and agents, any of them, it being the intent of the parties that the Landlord shall not bear any cost or liability for Claims, Releases, Violations, Investigations or Remediation arising from or related to the Premises, except to the extent arising from or related to the Excluded Environmental Claims.

11.4.7 Tenant Responsible for All Hazardous Substances. The parties intend by this Section 11.4 to place upon Tenant all responsibility, both financial and remediation, for all Hazardous Substances found on, or released on, the Premises during the Term of this Lease, except to the extent arising from or related to the Excluded Environmental Claims. Such responsibility includes both Remediation of the Hazardous Substances and indemnification of Landlord as to all claims other than the Excluded Environmental Claims.

11.4.8 Obligations Survive Termination of Lease. The obligations to Investigate and Remediate and the indemnities and releases set forth in this Section 11.4 shall survive the termination of this Lease with regard to any Release which (i) occurred prior to the date of termination of this Lease, or (ii) arising out of the use of the Premises by Tenant, its employees, agents and invitees, pursuant to this Lease.

11.4.9 Definitions. For purposes of this Lease, the following terms are defined as follows:

11.4.9.1 "Claim(s)" means any and all claims, actions, causes of action, writs, demands, rights, damages, liabilities, costs, expenses (including, without limitation, reasonable attorneys', experts', and consultants' fees and administrative and/or litigation costs), fines, penalties, liens, taxes, or compensation whatsoever, direct or indirect, known or unknown, foreseen or unforeseen.

11.4.9.2 "Environmental Agency" means the United States Environmental Protection Agency, the California Environmental Protection Agency and all of its sub-entities including without limitation the Regional Water Quality Control Board-Los Angeles Region, the State Water Resources Control Board, the Department of Toxic Substances Control and the California Air Resources Board; the City; the County; the South Coast Air Quality Management District; the United States Environmental Protection Agency; and/or any other federal, state or local governmental agency or entity that has jurisdiction over Hazardous Substances Releases or the presence, use, storage, transfer, manufacture, licensing, reporting, permitting, analysis, disposal or treatment of Hazardous Substances in, on, under, about or affecting the Premises. All references to an Environmental Agency or Agencies shall mean and include any successor Environmental Agency.

11.4.9.3 "Environmental Laws" means any federal, state, or local laws, ordinances, rules, regulations, requirements, orders, directives, guidelines, or permit conditions in existence as of the date of this Agreement or as later enacted, promulgated, issued, modified or adopted, regulating or relating to Hazardous Substances, and all applicable judicial, administrative and regulatory decrees, judgments and orders and common law, including, without limit, those relating to industrial hygiene, safety, health or protection of the environment or the reporting, licensing, permitting, use, presence, transfer, treatment, analysis, generation, manufacture, storage, discharge, Release, disposal, transportation, Investigation or Remediation of Hazardous Substances. Environmental Laws shall include, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Section 9601, et seq.) ("CERCLA"); the Resource Conservation and Recovery Act, as amended, (42 U.S.C. Section 6901 et seq.) ("RCRA"); federal Water Pollution Control Act, as amended, (33 U.S.C. Section 1251 et seq.); Toxic Substances Control Act, as amended, (15 U.S.C. Section 2601 et seq.); the Carpenter-Presley-Tanner Hazardous Substances Account Act, (California Health and Safety Code Section 25300 et seq.); Chapter 6.5 commencing with Section 25200 (Hazardous Waste Control); Chapter 6.7 commencing with Section 25280 (Underground Storage of Hazardous Substances) of the California Health and Safety Code; and the California Environmental Quality Act (California Public Resources Code Section 2100 et seq.).

11.4.9.4 "**Hazardous Substances**" means, without limitation: (a) those substances included within the definitions of "hazardous substances," "hazardous materials," "toxic substances," or "solid waste" in CERCLA, RCRA, and the Hazardous Materials Transportation Act, 49 U.S.C. §1801 et seq., and in the regulations promulgated pursuant to said laws; (b) those substances defined as "hazardous wastes" in Section 25117 of the California Health & Safety Code, or as "hazardous substances" in Section 25316 of the California Health & Safety Code, and in the regulations promulgated pursuant to said laws; (c) those substances listed in the United States Department of Transportation Table (49 C.F.R 172.101 and amendments thereto) or by the Environmental Protection Agency (or any successor agency) as hazardous substances (40 C.F.R. part 302 and amendments thereto); (d) any material, waste or substance which is (i) petroleum, (ii) asbestos, (iii) polychlorinated biphenyls, (iv) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. 1251 et seq. (33 U.S.C. 1321) or listed-pursuant to Section 307 of the Clean Water Act (33 U.S.C. 1317); (v) flammable explosives, or (vi) radioactive materials; and (e) such other substances, materials and wastes which are or become regulated under applicable local, state or federal law, or which are classified as hazardous or toxic under federal, state, or local laws.

11.4.9.5 "**Investigation(s)**" means any actions including, but not limited to, any observation, inquiry, examination, sampling, monitoring, analysis, exploration, research, inspection, canvassing, questioning, and/or surveying of the Property or any other affected properties, including the air, soil, surface water, and groundwater, and the surrounding population or properties, or any of them, to characterize or evaluate the nature, extent or impact of Hazardous Substances.

11.4.9.6 "**Release(s)**" means any releasing, spilling, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing, or dumping into the environment in violation of or resulting in a violation of applicable Environmental Laws.

11.4.9.7 "**Remediate**" or "**Remediation**" means any of those actions with respect to Hazardous Substances constituting a response or remedial action as defined under Section 101(25) of CERCLA, and similar actions with respect to Hazardous Substances as defined under comparable state and local laws, and/or other cleanup, removal, containment, abatement, recycling, transfer, monitoring, storage, treatment, disposal, closure, restoration or other mitigation or remediation of Hazardous Substances or Releases required by any Environmental Agency or within the purview of any Environmental Laws.

11.4.10 **Environmental Indemnity Regarding Premises Binding on Successors and Assigns of Tenant.** The parties hereto have agreed and Landlord and Tenant hereby reaffirm that conveyance by Landlord of the leasehold interest in Premises has been and will be undertaken by Landlord in order to benefit Tenant under this Lease by providing property for construction of the Event Center and related development. Accordingly, the parties hereto agree that the provisions of this Section 11.4, including the indemnities and releases described therein, shall be binding upon Tenant and upon each successor, assign or subtenant of Tenant which is a tenant or subtenant under this Lease (or any New Lease entered into pursuant to the terms of this Lease). Tenant and such successors, assigns and subtenants shall be jointly and severally liable for the obligations set forth in this Section 11.4.

12. PROHIBITED LIENS AND STOP NOTICES.

12.1 **Tenant's Covenant.** If a Prohibited Lien or Stop Notice is filed, then Tenant shall, within 30 calendar days after receiving Notice of such filing, cause such Prohibited Lien or Stop Notice to be paid, discharged or bonded. Nothing in this Lease shall be construed to restrict Tenant's right to contest the validity of any Prohibited Lien or Stop Notice and to pursue Tenant's position to a final judicial determination provided that Tenant complies with Section 14 of this Lease. The mere existence of a Prohibited Lien or Stop Notice shall not be construed as a Tenant Default under this Lease.

12.2 **Protection of Landlord.** Landlord shall not be liable for any labor or materials furnished or to be furnished to Tenant upon credit. Nothing in this Lease shall be deemed or construed in any way to constitute Landlord's consent or request, express or implied, by inference or otherwise, to any contractor, subcontractor, laborer, equipment or material supplier for the performance of any labor or the furnishing of any materials or equipment for any improvement, alteration or repair of, or to, the Premises, or any part of the Premises, nor as giving Tenant any right, power or authority to contract for, or permit the rendering of, any services, or the furnishing of any materials that would give rise to the filing of any liens or stop notices against the Fee Estate. Landlord shall have the right to post notices of non-- responsibility on the Premises. During the Term, Tenant shall Indemnify Landlord with respect to any matter arising from or related to work performed on the Premises other than work performed by Landlord or its agents. Such indemnity shall survive the expiration or termination of this Lease.

13. INDEMNIFICATION

13.1 **Hazardous Substances.** Landlord's and Tenant's respective obligations with respect to Investigation and Remediation and indemnification of Hazardous Substances, whether relating to conditions that exist before or after the Effective Date, shall be governed by Section 11.4 of this Lease and shall not be limited by the indemnity obligations set forth in Section 13.2 below.

13.2 **Indemnity by Tenant.** Notwithstanding any language to the contrary elsewhere in this Lease, Tenant shall defend, indemnify and hold harmless Landlord (except to the extent attributable to the active negligence or willful misconduct of Landlord) from and against any and all Loss, liability, or expense arising or alleged to arise from: (i) use of the Premises by Tenant, its Affiliates, officers, agents, employees, contractors, licensees or invitees; (ii) the development, construction, operation, or use of the Event Center; (iii) the performance of this Lease on the part of Tenant, or any contractor or subcontractor of Tenant; and/or (v) any breach of this Lease by Tenant, whether or not any insurance policy shall have been determined to be applicable to such Loss, liability, or expense; provided, however, that in no event shall this indemnity apply to any determination that all or any portion of the Bonds have lost their tax-exempt status unless such loss of tax-exempt status is the direct and sole result of a Tenant Default by Tenant under this Lease or a default by Tenant or any of its Affiliates under any of the Other Agreements. Landlord agrees to notify Tenant of any claims made against Landlord for which Tenant may be liable under this Section.

13.3 Liability of Landlord. During the Non-Possessory Period, Tenant shall have no right of access to or entry onto the Premises under this Lease, except that Tenant may enter onto the Premises for inspection purposes and to conduct necessary pre-construction testing, planning and other customary pre-development activities, subject to the terms and conditions of Section 29 below. During the Term, Tenant shall have exclusive control and possession of the Premises, subject to Laws and the provisions of this Lease. Except as otherwise expressly provided in this Lease, during the Term, Landlord shall not be liable for any injury or damage to any property or to any Person occurring on or about the Premises nor for any injury or damage to any property of Tenant, or of any other Person. The provisions of this Lease permitting Landlord to enter and inspect the Premises during the Term are intended to allow Landlord to be informed as to whether Tenant is complying with the agreements, terms, covenants and conditions of this Lease, and to the extent permitted by this Lease, to perform such acts required to be performed by Tenant under this Lease as Tenant shall fail to perform. In addition, notwithstanding any language to the contrary elsewhere in this Lease, Landlord shall defend, indemnify and hold harmless Tenant from and against any and all Loss, liability, or expense for and Loss arising or alleged to arise from (i) any breach of this Lease by Landlord or any of its Affiliates, officers, agencies, employees, contractors, licensees or invitees, or (ii) the acts or intentional omissions of Landlord or any of its Affiliates, officers, agencies, employees, contractors, licensees or invitees, or from their occupancy, use or operation of the Premises, except to the extent such Loss is caused by the active negligence or willful misconduct of Tenant. Notwithstanding the foregoing, nothing set forth in this Section 13.3 shall limit or otherwise reduce Tenant's obligation to indemnify Landlord for Tenant's entry onto the Premises during the Non-Possessory Period, as set forth in Section 29 below.

13.4 Indemnification Procedures. Wherever this Lease requires one party to Indemnify the other, the following procedures and requirements shall apply:

13.4.1 Notice. Indemnitee shall provide Indemnitor with Notice of any claim. Indemnitee shall not be entitled to recover from Indemnitor the amount of any Loss which would not have been incurred by Indemnitee or Indemnitor but for Indemnitee's failure to provide such Notice in a timely manner.

13.4.2 Selection of Counsel. If Indemnitee requests that Indemnitor provide Indemnitee's defense, Indemnitor shall be entitled to select counsel reasonably acceptable to Indemnitee. Notwithstanding any other provision of this Lease, if Indemnitee intends to retain its own counsel (whether in-house counsel or outside counsel) with respect to its defense, such counsel shall be reasonably acceptable to Indemnitor, and Indemnitee's reasonable attorneys' and experts fees (including without limitation Indemnitee's in-house attorneys' fees to be reimbursed at the Indemnitee's then prevailing in-house attorney rates) and costs shall be subject to Indemnitor's indemnity.

13.4.3 Settlement. Indemnitor may, with the consent of Indemnitee, which consent not to be unreasonably withheld (provided, however, that the parties acknowledge that in instances where Landlord is the Indemnitee, Indemnitee's consent to any proposed settlement shall be subject to the approval of the city council of the City, at its sole and absolute discretion), settle any claim which is the subject of its indemnity, except that no consent by Indemnitee shall be required as to any settlement by which (a) Indemnitor procures (by payment, settlement or otherwise) a release of

Indemnitee pursuant to which Indemnitee is not required to make any payment whatsoever, (b) neither Indemnitee nor Indemnitor acting on behalf of Indemnitee makes any admission of liability, and (c) the continued effectiveness of this Lease or the Other Agreements is not jeopardized in any way.

13.4.4 Insurance Proceeds. Each of Indemnitor and Indemnitee waives its rights of recovery against the other to the extent that the waiving party has valid and collectible third-party insurance covering the Loss sustained.

13.5 Survival. This Section 13 shall survive the expiration or termination of this Lease.

14. RIGHT OF CONTEST.

Notwithstanding anything to the contrary in this Lease, Tenant shall have the right to contest, at its sole expense, by appropriate legal proceedings diligently conducted, (a) the amount or validity of any Imposition, Prohibited Lien or Stop Notice, (b) the valuation, assessment or reassessment (whether proposed or final) of the Premises for purposes of real estate taxes or possessory interests, (c) the validity of any Law or the application of any Law to the Premises, or (d) the validity or merit of any claim against which Tenant is required to Indemnify Landlord under this Lease. Tenant may defer payment of, compliance with or performance of any contested matter or obligation described in clauses (a), (b), (c) or (d) above pending the outcome of such contest, provided that such deferral does not subject the Premises to risk of forfeiture or subject Landlord to any material liability. Landlord shall not be required to join in any such contest proceedings relating to clauses (a), (b) or (c) above unless a Law shall require that such proceedings be brought in the name of Landlord or any owner of the Fee Estate, or such joiner is otherwise reasonably necessary. In such case, Landlord shall cooperate with Tenant, so as to permit such proceedings to be brought in Landlord's name. Tenant shall pay all of Tenant's costs and expenses (including attorneys' fees) incident to such proceedings, and the reasonable costs and expenses of Landlord (including Landlord's reasonable attorneys' fees) with respect thereto. Tenant shall Indemnify Landlord with respect to any contest pursuant to this Section. Tenant shall be entitled to any refund of any Imposition (and penalties and interest paid by Tenant) based upon Tenant's prior overpayment of such Imposition, whether such refund is made during or after the Term. Upon termination of Tenant's contest with respect to clauses (a), (b), (c) or (d) above, Tenant shall pay the amount (if any) as has been finally determined such proceedings to be due from Tenant, together with any costs, interest, penalties or other liabilities in connection therewith. Upon final termination of Tenant's contest of a Law, Tenant shall comply with such final determination. Landlord shall not in its Proprietary Capacity as Landlord under this Lease, enter any objection to any contest proceeding undertaken by Tenant pursuant to this Section 14. Tenant's right to contest any Imposition or the valuation, assessment or reassessment of the Premises for tax purposes shall be to the exclusion of Landlord, and Landlord shall have no right to contest the foregoing without Tenant's consent, not to be unreasonably withheld.

Nothing in this Section 14 shall be construed to limit Landlord's rights to act with respect the matters addressed in this Section 14 in its Governmental Capacity. In addition, nothing in this Section 14 shall limit or otherwise reduce Landlord's obligations to pay all costs and expenses for, and Indemnify Tenant with respect to, any Imposition, Prohibited

Lien or Stop Notice arising from or related to any work performed by Landlord or its agents, employees or contractors prior to the Construction Term Commencement Date.

15. TENANT'S INSURANCE.

15.1 **Tenant to Insure.** Tenant's insurance obligations during the Non-Possessory Period shall be governed by Section 29 below. During the Term, Tenant shall, at Tenant's sole cost and expense, maintain the following insurance coverage (or its then reasonably available equivalent):

15.1.1 **General Liability.** Throughout the Term (and during the Non-Possessory Period, to the extent required under Section 29 below), Tenant shall carry Commercial General Liability insurance at least as broad as ISO Form CG0001 (Commercial General Liability) or its equivalent, with the extensions noted below, covering claims against property damage and bodily injury, to include death, occurring in or about the Premises and the Event Center and any other property of the named insured to the extent not covered by the common area liability policy required by the Reciprocal Easement Agreement, in minimum limits of not less than One Hundred Million Dollars (\$100,000,000) per occurrence. Such commercial general liability insurance shall include the following coverage extensions if obtainable from underwriters: sudden and accidental pollution subject to a sublimit of not less than \$5 million per accident; broadened notice of occurrence endorsement; personal injury liability; garage keepers legal liability of not less than Ten Million Dollars (\$10,000,000) per occurrence, unintentional errors and omissions endorsements. Such insurance shall include a waiver of Subrogation in favor of the additional insureds specified in Section 15.3.1.

15.1.2 **Automobile.** Throughout the Term (and during the Non-Possessory Period, to the extent required under Section 29 below), Tenant shall provide business automobile insurance at least as broad as ISO Form CA001 (Auto Liability) in an amount of not less than \$1 million per occurrence, with excess limits provided under the umbrella liability program to One Hundred Million Dollars (\$100,000,000) covering all autos owned or hired by Tenant and used at the Premises including owned, non-owned and hired autos. Such insurance shall include a Waiver of Subrogation in favor of the additional insureds specified in Section 15.3.1.

15.1.3 **Workers' Compensation.** Throughout the Term (and during the Non-Possessory Period, to the extent required under Section 29 below), in accordance with California Labor Code 3700 et seq. and other relevant Laws, Tenant shall maintain, and ensure that its contractors maintain, workers' compensation insurance, or provide proof of self-insurance in accordance with the provisions of that same Code, covering all Persons employed in connection with the Premises or with development, construction, alteration, repair or operation of the Event Center, for injury, illness, or death, in statutory amounts for compensation, with not less than \$1 million for employer's liability for bodily injury by accident and occupational disease, with excess limits for Tenant only provided under the umbrella liability program to One Hundred Million Dollars (\$100,000,000). Such insurance shall include a Waiver of Subrogation in favor of the additional insureds specified in Section 15.3.1.

15.1.4 **Property Insurance.**

15.1.4.1 **Construction.** From the Demolition Authorization Date until Completion of the Event Center, Tenant shall obtain "Builders Risk" insurance coverage in an amount equal to 100% of the full replacement cost of the Event Center, covering course of construction exposure, including all risks of direct physical loss (including flood, earthquake with limits as set forth in Section 15.5 below, transit and off-site storage), materials and supplies used at the site, and soft costs including delayed opening and extra expense. During any subsequent period of construction or alteration involving work of significant scope, Tenant shall obtain "Builders Risk" insurance coverage as specified above in an amount equal to 100% of the full replacement cost of that particular work of construction or alteration.

15.1.4.2 **Operation.** Beginning upon Completion of the Event Center and thereafter throughout the Term, Tenant shall carry "All Risk" insurance coverage in an amount equal to 100% of the full replacement cost of the Event Center, providing coverage for all risks of direct physical loss described in Section 15.1.4.1; provided, however, that coverage for the peril of earthquake shall be subject to market availability at commercially reasonable premium cost (determined from time to time as provided in Section 15.5), and shall be purchased in an amount equal to the maximum probable loss as determined from time to time by a reputable seismic engineer acceptable to Landlord and Tenant.

15.1.4.3 **General Requirements.** All property insurance (builder's risk and operations insurance) shall include the following extensions of coverage: vacancy or occupancy clause waived; no coinsurance; Waiver of Subrogation in favor of Landlord; demolition and increased cost of construction; earthquake (if applicable) to include landslide mudslide, sinkhole, collapse earth movement or subsidence; costs to prove loss; debris removal; flood and surface water; coverage for foundations, pilings and underground property; coverage for machinery and equipment breakdown, boiler explosion, etc.; architect's fees, valuable paper and records, including EDP media; damage resulting from faulty or defective workmanship, material, construction or design, plans, blueprints and specifications; mechanical or electrical apparatus; property of others in the care, custody or control of the insured.

15.1.5 **Other.** All insurance required by any Leasehold Mortgage, including without limitation terrorism and business interruption coverage in such amounts as may be required by any such Leasehold Mortgagee, and such other insurance as Tenant determines appropriate in the exercise of Tenant's reasonable business judgment.

15.2 **General Provisions.**

15.2.1 **Insurance Approval.** Evidence of insurance shall be submitted to Landlord or Landlord's designated risk management professional prior to commencement of any work or tenancy under this Lease, in accordance with Los Angeles Administrative Code Section 11.48.

15.2.2 **Deductibles; Self Insured Retention.** Any deductible or self-insured retention greater than \$250,000 must be declared to Landlord and shall be subject to Landlord's approval, which approval shall not be unreasonably withheld, conditioned or delayed.

15.2.3 Insurance Carrier Standards. Each insurance carrier shall (a) have a "Best's" rating of at least A-VII or equivalent, and (b) unless otherwise agreed by Landlord and in compliance with Section 15.2.4, be authorized to transact insurance business in the State.

15.2.4 Admitted Carrier/Licensed California Broker. Surplus lines insurance from carriers who are not admitted in California must be submitted through a California licensed broker or agency and is subject to the same standards outlined in Section 15.2.3.

15.2.5 Evidence of Insurance. At least sixty (60) days before each insurance policy is initially required to be obtained by Tenant pursuant to this Lease, Tenant shall deliver to Landlord its plan for placing such coverage in effect. At least five (5) days prior to the effective date of coverage, Tenant shall provide to Landlord certificates of insurance confirming that Tenant maintains the insurance required of it under this Section 15, which certificates shall be executed by an authorized agent of the appropriate insurer(s) indicating that the required coverage has been obtained and Landlord, its officials, boards, employees, and agents have, where applicable, been named as additional insureds. Within 45 days after the effective date of each insurance policy required by this Lease, Tenant shall provide Landlord with a copy of the declaration page and a copy of all terms and conditions pertinent to the properties required by this Lease, and endorsed "paid" or accompanied by other evidence that the premiums for such policies have been paid. Evidence of renewal of an expiring policy may be submitted on a manually signed renewal endorsement which shall be submitted at least five (5) days prior to the expiration of the then current policy. If the policy or carrier has changed, however, new evidence under this Section 15.2.5 must be submitted.

15.2.6 Underlying Insurance. Tenant shall be responsible for requiring such indemnification and insurance as it deems appropriate from consultants, agents and subcontractors, if any.

15.3 Policy Requirements and Endorsements. All insurance policies required by this Lease shall contain (by endorsement or otherwise) the following provisions:

15.3.1 Additional Insureds. All liability insurance policies shall name Landlord and Leasehold Mortgagees and their respective boards, officials, officers, directors, agents, employees, volunteers and bondholders, as additional insureds. Landlord shall be named as "loss payee as its interests may appear" in all required property coverage.

15.3.2 Primary Coverage. All policies shall be written as primary policies not contributing with or in excess of any coverage that Landlord may carry. Tenant's insurance shall not call on Landlord's insurance program for contributions.

15.3.3 Tenant's Acts or Omissions. Each policy shall include a provision that any act or omission of Tenant shall not prejudice any party's rights (other than Tenant's) under such insurance coverage. Any failure by Tenant to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to the additional insureds.

15.3.4 Separation of Insureds. Except with respect to the insurance company's limits of liability, each liability insurance policy shall apply separately to each insured against whom a claim or suit is brought. The inclusion of any Person or organization as an insured shall not affect any right which such Person or organization would have as a claimant if not so included.

15.3.5 Cancellation/Reduction in Coverage Notice. Tenant will cause all insurance policies required under this Lease to expressly provide that such insurance shall not be canceled or reduced below the coverage or limits required under this Lease except after thirty (30) days written notice has been given to City Administrative Officer, Risk Management, City Hall East, Room 1240, 200 North Main Street, Los Angeles, California 90012.

15.3.6 Failure to Obtain or Maintain Insurance. If at any time during the term of this Lease, either the general liability insurance required to be provided under Section 15.1.1 of this Lease or the property insurance required to be provided under Section 15.1.4 of this Lease is canceled, lapsed, or reduced below minimums required in this Lease, then Tenant shall immediately cease all operation of the Event Center until such required insurance coverage is reinstated. Failure to provide evidence of general liability insurance or property insurance as required by Section 15.2.5 of this Lease shall not, by itself, be considered a cancellation, lapse or reduction below minimums required of general liability or property insurance.

At any time during the Term of this Lease, in the event that Tenant fails to obtain or renew any insurance as required by this Lease and such default continues beyond all applicable notice and cure periods in Section 33.1.1 below, Landlord may (but shall not be obligated to), in addition to any other remedies it may have pursuant to this Lease, procure or renew such insurance to protect the interests of the Landlord, pay any and all premiums in connection therewith, and recover from Tenant all monies so paid, together with and all related costs, expenses, and attorneys fees reasonably incurred by Landlord, and with interest on all of the foregoing at the Prime Rate plus three percent (3%). The foregoing costs of insurance and related costs, expenses, attorney fees, and interest shall constitute Additional Rent and shall be paid by Tenant within 30 days after Landlord's demand accompanied by evidence reasonably establishing that Landlord properly and reasonably incurred such sums in accordance with this Lease. Landlord's purchase of insurance under this section shall not cure Tenant's default unless and until Tenant reimburses Landlord for all of the foregoing costs.

15.4 Blanket and Umbrella Policies. Tenant may provide any insurance required by this Lease pursuant to a "blanket" or "umbrella" insurance policy, provided that (a) such policy or a certificate of such policy shall specify the amount(s) of the total insurance allocated to the Premises, which amount(s) shall not be subject to reduction on account of claims made with respect to other properties, and (b) such policy shall otherwise comply with this Lease.

15.5 Tenant's Inability to Obtain Earthquake Insurance. The insurance coverage for the peril of earthquake required by this Lease is subject to availability on the open market at commercially reasonable premium cost (as defined below). If such earthquake insurance coverage should, after diligent effort by Tenant, be unobtainable at a commercially reasonable premium cost, then Tenant shall obtain the maximum insurance reasonably obtainable at commercially reasonable premium cost (if any) and give Notice to Landlord of the extent of Tenant's inability to obtain, in

full, the insurance required by this Lease, and in such event, Tenant's obligation to procure and maintain such insurance as is unobtainable shall be excused. Landlord and Tenant agree that: (i) a premium cost for earthquake insurance coverage of up to 150% of the premium cost paid by Tenant for such coverage on the Effective Date (which premium cost shall be increased by two percent (2%) per annum on a compounded basis throughout the Term on each anniversary of the Effective Date) shall automatically constitute a "commercially reasonable premium cost" and (ii) "commercially reasonable premium cost" shall otherwise be determined in accordance with Section 15.9 below. Non-availability at commercially reasonable premium cost must be documented by a letter from Tenant's insurance broker or agent indicating a good faith effort to place the required insurance and showing, at a minimum, the names of three (3) insurance carriers and the declinations or quotations received from each.

15.6 Waiver of Subrogation. To the extent that Landlord or Tenant purchases any hazard insurance relating to the Premises (other than workers' compensation insurance), the party purchasing such insurance shall obtain a Waiver of Subrogation from its insurance earner.

15.7 Modifications in Limits. From time to time under this Lease, either party, unilaterally, may propose to the other party that the policy limits set forth in this Lease be increased or decreased, in order to bring such policy limits into conformity with the limits customarily maintained for Comparable Facilities, including those located in Southern California. If the parties are able to agree upon an increase or decrease, the modified limits they agreed upon shall supersede those set forth in this Lease. If the parties are not able to agree upon a proposed increase or decrease within 30 days after its proposal, then the matter shall be resolved through the procedure set forth in Section 15.9 below, based upon the limits customarily maintained for Comparable Facilities, including those located in Southern California. Policy limits established pursuant to this Section 15 shall not be increased or decreased during the first five years after the Effective Date of this Lease or more frequently than once every five years thereafter, unless a significant change in the law or in the insurance industry makes an intervening increase or decrease necessary or equitable under the circumstances. In considering any proposed modification to policy limits, the parties shall consider the frequency and nature of past claims.

15.8 Compliance with REA Provisions. Tenant shall also comply with the insurance requirements applicable to it set forth in the Reciprocal Easement Agreement.

15.9 Certain Determinations. If it becomes necessary to determine whether earthquake coverage is available on the open market at a commercially reasonable premium cost, or the amount of maximum probable loss, or the amount of any modifications in limits, then either party may give the other party Notice that such determination is required and shall set forth such party's estimate of the amount. The parties shall thereupon attempt, in good faith, to agree upon the amount within 60 days of such Notice. Failing any agreement within such 60-day period, then Landlord and Tenant agree to abide by the findings and recommendations of a reputable, independent risk management consultant who is experienced with properties similar to the Premises and with properties in the southern California area, and who is acceptable to Landlord and Tenant. An independent risk management consultant is a risk management consultant who has no affiliation with any insurance company or insurance broker and who does not receive any wages, commissions or similar compensation from any insurance company or insurance broker. Landlord and Tenant shall each