

condition of the Premises, including the existence of any Hazardous Substances thereon, geology, soils condition, the presence or absence of archeological or historical remains or suitability for any construction or use. Tenant accepts the condition of the zoning, entitlements, and title to the Premises (including without limitation all of the Tenant-Approved Title Conditions) "AS IS", and, except only as set forth in this Lease, Landlord makes no representation or warranty as to the zoning entitlements, condition of title or the accuracy of any information or insurance provided to Tenant by any title insurance company. Landlord's representations and warranties contained in Sections 26.1.1 through 26.1.3 shall continue to apply in full force and effect throughout the Term as if made continuously throughout the Term. All other representations and warranties by Landlord set forth in this Lease shall be made as of the Effective Date only. Subject to the foregoing, Landlord represents and warrants to Tenant that the following facts and conditions exist and are true as of the Effective Date:

26.1.1 Organization. Landlord is duly organized and validly existing under the laws of the State and the Charter of the City. Landlord has full power and authority to conduct its business as presently conducted and to execute, deliver, and perform its obligations under this Lease.

26.1.2 Authorization and Conflict. Any other Person who would qualify as an Institutional Lender shall be deemed to be an approved assignee for purposes of Section 19. At least 30 days prior to the proposed sale, assignment or transfer to any such Person, Tenant shall deliver to Landlord such information as may be reasonably required for Landlord to confirm that such Person is an Institutional Lender.

26.1.3 No Conflict. The execution, delivery and performance of this Lease by Landlord does not and will not conflict with, or constitute a violation or breach of, or constitute a default under (a) the charter documents of Landlord, (b) any Law binding upon or applicable to Landlord, or (c) any material agreements to which Landlord is a party.

26.1.4 No Litigation. Except as previously known by Tenant or disclosed in writing to Tenant by the City of Los Angeles, there is no existing or, to Landlord's Knowledge (as defined in Section 26.2), pending litigation, suit, action or proceeding before any court or administrative agency affecting Landlord or the Premises that would, if adversely determined, adversely affect Landlord or the Premises or Tenant's ability to develop and operate the Project thereon.

26.1.5 No Pending Taking. There is no existing or, to Landlord's Knowledge, pending or threatened Taking affecting any portion of the Premises.

26.1.6 No Pending Improvements. Landlord is not party to any outstanding contracts for any improvements to the Premises, nor, to Landlord's Knowledge, does any Person have the right to claim any mechanic's or supplier's lien or otherwise demand payment from Landlord arising from any labor or materials furnished to the Premises.

26.1.7 Title. To Landlord's Knowledge, Landlord's title to the Premises is free and clear of unrecorded leases, liens, encumbrances, contracts, agreements or rights of

possession (or any other unrecorded encumbrances that grant possessory interest to the Premises) that would interfere with Tenant's use and operation of the Premises and the Improvements to be constructed thereon.

26.2 *Knowledge*. For the purpose of this Lease, Landlord shall be deemed to "Know" or to have "Knowledge" of any matter only if such matter: (a) was actually known by any of those certain Landlord personnel within any of the offices of the Chief Legislative Analyst, the City Administrative Officer, the City Attorney's office, or the LACC working on this Lease transaction, or (b) could reasonably have been discovered by due inquiry on the part of any of such personnel (which inquiry shall be satisfied by reasonable investigation of the files located "on-site" within such respective offices of the aforementioned City departments).

26.3 *By Tenant*. Tenant accepts the condition of the Premises "AS IS" as described in Section 26.1, based upon its own independent investigation and not in reliance upon any representation or warranty of Landlord, except only as otherwise set forth in this Lease. Tenant's representations and warranties contained in Sections 26.3.1 through 26.3.3 shall continue to apply in full force and effect throughout the Term as if made continuously throughout the Term. All other representations and warranties shall be made as of the Effective Date only. Subject to the foregoing, Tenant represents and warrants to Landlord that the following facts and conditions exist and are true:

26.3.1 *Organization*. Tenant is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware, with full power and authority to conduct its business as presently conducted and to execute, deliver and perform its obligations under this Lease.

26.3.2 *Authorization*. Tenant has taken all necessary action to authorize its execution, delivery and, subject to any conditions set forth in this Lease, performance of this Lease. Upon the Effective Date, this Lease shall constitute a legal, valid and binding obligation of Tenant, enforceable against it in accordance with its terms.

26.3.3 *No Conflict*. The execution, delivery and performance of this Lease by Tenant does not and will not conflict with, or constitute a violation or breach of, or constitute a default under (i) the charter and incorporation documents of Tenant, (ii) any Law binding upon or applicable to Tenant, or (iii) any material agreements to which Tenant is a party.

26.3.4 *Ownership of Tenant*. Tenant is a wholly-owned entity in a chain of entities, each entity in which is directly or indirectly owned or controlled by Philip F. Anschutz.

26.3.5 *Litigation*. There is no pending litigation, suit, action or proceeding before any court or administrative agency affecting Tenant that would, if adversely determined, adversely affect Tenant, the Premises, or Tenants ability to perform its obligations hereunder.

27. *FORCE MAJEURE*.

Subject to clause (c) of this Section 27, each of Landlord and Tenant shall be excused

from performance and shall not be considered to be in default with respect to any obligation hereunder, if and to the extent that its failure of, or delay in, performance is due to a Force Majeure Event; provided, that (a) as soon as is reasonably practicable, such party gives the other party written notice describing the particulars of the Force Majeure Event; (b) the suspension of performance is of no greater scope and of no longer duration than is reasonably required by the Force Majeure Event; (c) the party uses reasonable commercial efforts to overcome or mitigate the effects of such occurrence; and (d) when the party is able to resume performance of its obligations under this Lease, such party shall give the other party written notice to that effect and shall promptly resume performance hereunder. Notwithstanding the foregoing, this Section 27 shall not apply to (1) the time for payment of Rent or any other monetary obligation, (2) the insurance provisions in Section 15, and (3) the one year Abandonment period set forth in Section 33.1.

28. *INTENTIONALLY OMITTED.*

29. *ACCESS.*

29.1 Non-Possessory Period.

29.1.1 Tenant shall have the right to enter onto the Premises during the Non-Possessory Period for inspection purposes and to conduct necessary pre-construction testing, planning and other customary pre-development activities. Tenant may undertake any physical inspections, testing, planning, customary pre-development activities and other investigations of, and inquiries concerning, the Premises as may be necessary to allow Tenant to evaluate the physical characteristics of the Premises to prepare for the construction and development of the Parking Structure; provided that (i) Tenant shall provide Landlord with prior written notice of such inspections, testing, planning, customary pre-development activities and other investigations, which notice shall describe in reasonable detail the nature of Tenant's activities; (ii) Tenant shall not conduct any invasive environmental testing, sampling, or boring without the prior written consent of Landlord (which consent shall not be unreasonably withheld, conditioned or delayed; provided that any condition that requires Tenant to restore the Premises to substantially the same condition it was in prior to such invasive testing, sampling, or boring shall not be deemed unreasonable); (iii) Tenant shall comply with all Environmental Laws during the proposed entry; (iv) Tenant shall not cause any dangerous or hazardous condition to be created or caused on the Premises, and (v) Tenant provides insurance described in Sections 15.1.1, 15.1.2, and 15.1.4 above.

29.1.2 Upon Tenant's request, Landlord shall make available for review by Tenant and its Affiliates all of the plans, reports, studies, and other materials in the possession or control of Landlord regarding the Premises, except for documents that are not subject to disclosure under the California Public Records Act. Landlord makes no representation, warranty or guaranty regarding the completeness or accuracy of such plans, reports, studies, and other materials.

29.1.3 Tenant agrees to indemnify, defend and hold harmless Landlord and its elected and appointed officials, employees, agents, attorneys, representatives, contractors,

successors and assigns from any loss, injury, damage, cause of action, liability, claim, lien, cost or expense, including reasonable attorneys' fees and costs, arising from the exercise by Tenant or its Affiliates of the rights of entry and access under this Section 29.1; provided, however, that this indemnity shall not extend to and in no event shall Tenant be liable to Landlord to the extent any loss, injury, damage, cause of action, liability, claim, lien, cost or expense arises from any active negligence or willful misconduct of Landlord or anyone acting by, through or under Landlord. The foregoing indemnity shall not apply to any diminution in the value of the Premises resulting solely from Tenant's discovery of any pre-existing condition, pre-existing circumstance or pre-existing hazardous material on the Premises. Tenant shall keep the Premises free and clear of any mechanic's liens or materialmen's liens related to Tenant's activities thereon.

29.2 *Construction Period.* Landlord and its agents, representatives and designees shall have the reasonable right of access to the Premises (accompanied by a Tenant representative if requested by Tenant) without charges or fees, at normal construction hours during the period of construction, with prior reasonable notice to Tenant, and in accordance with Tenant's reasonable instructions, for the purposes of this Lease, including but not limited to, the inspection of the work being performed in constructing the Project.

29.3 *Generally.* In addition to Landlord's other rights and privileges under this Lease, Landlord and its agents, representatives and designees shall have the right to enter the Premises, upon reasonable notice to Tenant, during regular business hours, and in accordance with Tenant's reasonable instructions, for the purpose of determining whether a Non-Monetary Default has occurred or is continuing, and for the purpose of curing any such Non-Monetary Default. Such right to enter shall be a temporary right to enter for the purposes set forth above, and shall not be a right of entry or of a taking or retaining possession of the Premises in a peaceful or non-peaceful manner. In entering the Premises pursuant to this Section 29, Landlord and its designees shall not interfere with the conduct of operations on the Premises by Tenant or anyone claiming through Tenant, and shall comply with Tenant's reasonable instructions. Except to the extent prohibited by Law, Landlord shall Indemnify Tenant against any Loss arising from Landlord's negligence or willful misconduct while entering upon the Premises pursuant to this Section or any other provision of this Lease permitting Landlord to enter the Premises (except upon termination of this Lease) and not attributable to the negligence or willful misconduct of Tenant. Notwithstanding the foregoing, Landlord and its agents, representatives and designees shall have the right to enter the Premises with such notice (if any) as is reasonably practicable under the circumstances in case of an Emergency and, in such event, Landlord shall only Indemnify Tenant for reasonably avoidable claims.

30. *INTENTIONALLY OMITTED.*

31. *LANDLORD'S RIGHT TO PERFORM TENANT'S COVENANTS.*

31.1 *Landlord's Option.* During the continuance of any Tenant Default, Landlord, after an additional 10 Business Days' Notice to Tenant, or with such notice (if any) as is reasonably practicable under the circumstances in case of an Emergency, and without waiving or releasing Tenant from any obligation of Tenant or from any Tenant Default and without waiving

Landlord's right to take such action as may be permissible under this Lease as a result of such Tenant Default or Emergency, may (but shall be under no obligation to) make such payment or perform such act on Tenant's part to be made or performed pursuant to this Lease. Landlord may enter upon the Premises to cure any Non-Monetary Tenant Default, or in the case of an Emergency, as provided in Section 29.

31.2 *Reimbursement by Tenant.* All reasonable sums paid by Landlord and all costs and expenses reasonably incurred by Landlord, other than reasonable attorneys' fees, in connection with the exercise of Landlord's cure rights under Section 31.1, shall constitute Rent. Tenant shall pay such Rent within thirty (30) days after Landlord's demand accompanied by evidence reasonably establishing that Landlord properly and reasonably incurred such costs and expenses in accordance with this Lease.

32. *INTENTIONALLY OMITTED.*

33. *DEFAULTS AND REMEDIES.*

33.1 *Tenant Defaults and Cure Rights.*

The occurrence of any one or more of the following events set forth below in Sections 33.1.1 through 33.1.4 (including all subsections under Section 33.1.4) shall constitute a "Tenant Default", which defined term shall include any Re-Entry Default and any Incipient Re-Entry Default.

Immediately upon a Tenant Default, Landlord shall have the right to deliver a Notice of Default or Notice of Incipient Re-Entry Default, as applicable; to Tenant and each Qualified Leasehold Mortgagee, which notice shall specify: (i) the nature of such default, (ii) the action required to cure such default, if such default is subject to cure, and (iii) the applicable cure period(s), if any, provided in this Lease. Failure or delay in giving such Notice of Default or Notice of Incipient Re-Entry Default shall not constitute a waiver of any default. In the event that a Tenant Default that is subject to cure is not cured by Tenant (or by any Qualified Leasehold Mortgagee pursuant to its rights under Section 22.4 of this Lease) within Tenant's applicable cure period in accordance with this Lease, Landlord shall have the right (but is not obligated) to deliver to Tenant and each Qualified Leasehold Mortgagee a Tenant's Cure Period Expiration Notice, and the receipt of such notice by each Qualified Leasehold Mortgagee shall commence the applicable extended cure period, if any, available to that Qualified Leasehold Mortgagee. Failure or delay in giving such Tenant's Cure Period Expiration Notice shall not constitute a waiver of any default. The parties agree that the delivery of a Tenant's Cure Period Expiration Notice is necessary only in a situation where a Qualified Leasehold Mortgagee is entitled under this Lease to an extended cure period beyond Tenant's applicable cure period pursuant to Section 22.4 above, and if no Qualified Leasehold Mortgagee is entitled to such an extended cure period, then Landlord may immediately exercise its right to pursue remedies under this Lease upon the expiration of all notice and cure periods available to Tenant under this Lease without the delivery of a Tenant's Cure Period Expiration Notice; provided, however, that the Parties further agree that with respect to any Tenant Defaults that are subject to an extended cure period for the benefit of Qualified Leasehold Mortgagees as provided in this Lease, Landlord shall not have the right to exercise any of its remedies against Tenant under this Lease until after

each Qualified Leasehold Mortgagee's applicable extended cure period has expired. The specific notice and cure process for each type of Tenant Default is set forth below.

33.1.1 Failure To Pay Rent or Comply with Insurance Requirement. A failure by Tenant to either: (i) make any payment of Fixed Rent provided in Section 6, as and when due, or (ii) comply with any of the insurance requirements set forth in Section 15 of this Lease shall constitute a Tenant Default. A Tenant Default based on this Section 33.1.1 shall be subject to Tenant's right to cure, which cure must be completed by Tenant (or any Qualified Leasehold Mortgagee) no later than thirty (30) calendar days after Tenant's receipt of Landlord's Notice of Default. In the event that such Tenant Default is not cured by the expiration of such 30-day cure period, Landlord shall have the right (but is not obligated) to deliver to Tenant and each Qualified Leasehold Mortgagee a Tenant's Cure Period Expiration Notice. Each Qualified Leasehold Mortgagee, in accordance with Section 22.4.1 above, shall have the additional right to cure such Tenant Default within forty-five (45) calendar days after its receipt of such Tenant's Cure Period Expiration Notice. In the event that such Tenant Default is not cured by the end of Tenant's 30-day cure period and all Qualified Leasehold Mortgagees' 45-day cure period, Landlord shall have the right to immediately take action based on any and all remedies available to Landlord under this Lease.

33.1.2 Failure To Pay Additional Rent. A failure by Tenant to make any payment of any Additional Rent, as and when due, shall constitute a Tenant Default. A Tenant Default based on this Section 33.1.2 shall be subject to Tenant's right to cure, which cure must be completed by Tenant (or any Qualified Leasehold Mortgagee) no later than forty-five (45) calendar days after Tenant's receipt of Landlord's Notice of Default. In the event that such Tenant Default is not cured by the expiration of such 45-day cure period, Landlord shall have the right (but is not obligated) to deliver to Tenant and each Qualified Leasehold Mortgagee a Tenant's Cure Period Expiration Notice. Each Qualified Leasehold Mortgagee, in accordance with Section 22.4.1 above, shall have the additional right to cure such Tenant Default within forty-five (45) calendar days after its receipt of such Tenant's Cure Period Expiration Notice. In the event that such Tenant Default is not cured by the end of Tenant's 45-day cure period and all Qualified Leasehold Mortgagees' 45-day cure period, Landlord shall have the right to immediately take action based on any and all remedies available to Landlord under this Lease.

33.1.3 Material Breach of Other Obligations. A failure by Tenant to timely observe or perform any of the material covenants or provisions set forth in this Lease (other than: (i) the failure to pay Rent, which is covered by Sections 33.1.1 and 33.1.2 above, (ii) the failure to comply with insurance requirements, which is covered by Section 33.1.1 above, and (iii) the occurrence of a Re-Entry Default or Incipient Re-Entry Default, both of which are covered by Section 33.1.4 below) shall constitute a Tenant Default. A Tenant Default based on this Section 33.1.3 shall be subject to Tenant's right to cure, which cure must be completed within the following timeframes: (i) no later than ninety (90) calendar days after Tenant's receipt of Landlord's Notice of Default, if the default is reasonably capable of being cured within such period of time; or (ii) if the default is not reasonably capable of being cured within such 90-day period, and Tenant (aa) initiates corrective action within said period and (bb) diligently and in good faith works to effect a cure as soon as reasonably possible, then Tenant shall have such additional time as is reasonably necessary to cure the default. In the event that such Tenant Default is not cured by Tenant (or any Qualified Leasehold Mortgagee) by the expiration of the

applicable timeframe set forth above, Landlord shall have the right (but is not obligated) to deliver to Tenant and each Qualified Leasehold Mortgagee a Tenant's Cure Period Expiration Notice. Each Qualified Leasehold Mortgagee, in accordance with either Section 22.4.2 or Section 22.4.3 above, as applicable, shall have the additional right to cure such Tenant Default within the applicable cure period set forth above in Section 22.4.2 or Section 22.4.3. In the event that such Tenant Default is not cured by the end of Tenant's applicable cure period specified in this Section 33.1.3 and all Qualified Leasehold Mortgagees' cure period specified in Section 22.4.2 or Section 22.4.3, as applicable, Landlord shall have the right to immediately take action based on any and all remedies available to Landlord under this Lease.

33.1.4 Re-Entry Default/Incipient Re-Entry Default. The occurrence of a Re-Entry Default or an Incipient Re-Entry Default shall constitute a Tenant Default:

33.1.4.1 Failure to Commence Construction. An actual failure (specified in Section 33.1.4.1(a) below) or anticipated failure (specified in Section 33.1.4.1(b) below) by Tenant to Commence Construction of the Parking Structure when and as required pursuant to the Commencement Obligation, in accordance with Section 5.3 of this Lease, shall constitute a Re-Entry Default or an Incipient Re-Entry Default, respectively, either one of which is considered a Tenant Default.

(a) Cure Period for Actual Failure to Commence as required by the Commencement Obligation. A Re-Entry Default based on an actual failure by Tenant to Commence Construction of the Parking Structure when and as required pursuant to the Commencement Obligation shall be subject to Tenant's right to cure under this Section 33.1.4.1(a), which cure must be completed no later than one hundred eighty (180) calendar days after Tenant's receipt of Landlord's Notice of Default. In the event that such Tenant Default is not cured by Tenant (or any Qualified Leasehold Mortgagee) by the expiration of such 180-day cure period, Landlord shall have the right (but is not obligated) to deliver to Tenant and all Qualified Leasehold Mortgagees a Tenant's Cure Period Expiration Notice. Each Qualified Leasehold Mortgagee shall have the additional right to cure such Tenant Default in accordance with Section 22.4.3. In the event that such Tenant Default is not cured by the end of Tenant's 180-day cure period and each Qualified Leasehold Mortgagee's cure period under Section 22.4.3, Landlord shall have the right to immediately take action based on any and all remedies available to Landlord under this Lease, and no other cure period shall apply.

(b) Cure Period for Anticipated Failure to Commence as required by the Commencement Obligation. An Incipient Re-Entry Default based on an anticipated failure by Tenant to Commence Construction of the Parking Structure when and as required pursuant to the Commencement Obligation shall be subject to Tenant's right to cure under this Section 33.1.4.1(b). In the event that Landlord sends a Notice of Incipient Re-Entry Default in accordance with Section 22.2.3 of this Lease

regarding the anticipated failure of Tenant to comply with the Commencement Obligation, Tenant and all Qualified Leasehold Mortgagees shall have one hundred eighty (180) calendar days from their respective receipt of such Notice of Incipient Re-Entry Default to cure such Incipient Re-Entry Default. In the event that such Incipient Re-Entry Default is not cured within such aforementioned period, Landlord shall have the right to immediately take action based on any and all remedies available to Landlord under this Lease, and no other cure period shall apply.

33.1.4.2 *Failure to Complete Construction as required by the Completion Obligation.* An actual failure (specified in Section 33.1.4.2(a) below) or anticipated failure (specified in Section 33.1.4.2(b) below) by Tenant to Complete Construction of the Parking Structure when and as required pursuant to the Completion Obligation, in accordance with Section 5.3 of this Lease, shall constitute a Re-Entry Default or an Incipient Re-Entry Default, respectively, either one of which is considered a Tenant Default.

(a) *Cure Period for Actual Failure to Complete as required by the Completion Obligation.* A Re-Entry Default based on an actual failure by Tenant to Complete Construction of the Parking Structure as required by the Completion Obligation shall be subject to the cure rights set forth in this Section 33.1.4.2(a) shall be subject to Tenant's right to cure, which cure must be completed by Tenant (or any Qualified Leasehold Mortgagee) no later than one hundred eighty (180) calendar days after Tenant's receipt of Landlord's Notice of Default. In the event that such Tenant Default is not cured by the expiration of such 180-day cure period, Landlord shall have the right (but not the obligation) to deliver to Tenant and all Qualified Leasehold Mortgagees a Tenant's Cure Period Expiration Notice. Each Qualified Leasehold Mortgagee shall have the additional right to cure such Tenant Default in accordance with Section 22.4.3. In the event that such Tenant Default is not cured by the end of Tenant's 180-day cure period and all Qualified Leasehold Mortgagees' cure period under Section 22.4.3, Landlord shall have the right to immediately take action based on any and all remedies available to Landlord under this Lease, and no other cure period shall apply.

(b) *Anticipated Failure to Complete as required by the Completion Obligation.* An Incipient Re-Entry Default based on an anticipated failure by Tenant to Complete Construction of the Parking Structure as required by the Completion Obligation shall be subject to the cure rights set forth in this Section 33.1.4.2(b). If Landlord sends a Notice of Incipient Re-Entry Default in accordance with Section 22.2.3 of this Lease regarding the anticipated failure of Tenant to comply with the Completion Obligation, then Tenant and all Qualified Leasehold Mortgagees shall have one hundred eighty (180) calendar days from their respective receipt of such Notice of Incipient Re-Entry Default to cure such Incipient Re-Entry

Default. In the event that such Incipient Re-Entry Default is not cured by the end of such aforementioned cure period, Landlord shall have the right to immediately take action based on any and all remedies available to Landlord under this Lease, and no other cure period shall apply.

33.1.4.3 *Abandonment.* The abandonment of the Premises by Tenant for a continuous period of one (1) year shall constitute "Abandonment", subject to the terms and conditions of this Section 33.1.4.3. An Abandonment shall constitute a Tenant Default, which Tenant Default shall not be subject to any right to cure by anyone. A finding of Abandonment for a continuous period of one (1) year or more shall not be defeated by isolated uses of the Parking Structure during the year which are not in good faith, but rather are made solely for the purpose of avoiding the continuous period of one (1) year test set forth above. In determining whether there has been an Abandonment of the Parking Structure, a trier of fact may consider not only evidence of non-use, but also evidence that the Parking Structure has been allowed to fall into a state of disrepair incompatible with ongoing use. Upon the Abandonment of the Premises by Tenant, Landlord shall have the right to immediately take action based on any and all remedies available to Landlord under this Lease

33.1.4.4 *Significant Monetary Default.* A Tenant Default shall be deemed to have occurred whenever, following the expiration of the applicable notice and cure period, any unpaid installment of Rent under this Lease or any uncured monetary default under the Gap Funding Agreement or the Security Agreement (individually or in the aggregate) exceeds the total undrawn balance of all letters of credit then held by the Landlord as security for Tenant's obligations under this Lease and all of the Other Agreements, except in the case of a bona fide dispute (which shall be expeditiously resolved). Upon the occurrence of such Tenant Default, which is not subject to any right to cure by anyone, Landlord shall have the right to immediately take action based on any and all remedies available to Landlord under this Lease.

All notices to be delivered hereunder are in addition to, and not in lieu of, the notice requirements of California Code of Civil Procedure Section 1161.

33.2 *Remedies for Tenant Defaults.*

33.2.1 *Remedies for Construction-Related Re-Entry Defaults.* In the event that a Re-Entry Default or an Incipient Re-Entry Default based on Section 33.1.4.1 (failure to commence construction) or Section 33.1.4.2 (failure to complete construction) exists beyond the applicable cure period(s), if any, for such Re-Entry Default or Incipient Re-Entry Default, Landlord shall have the right to pursue any and all of the following cumulative remedies:

(a) proceed by appropriate judicial proceedings to recover damages from Tenant for breach of this Lease, provided, however, that such right to recover damages shall be subject to Sections 33.3.2 and 33.3.3 below; and/or

(b) give Tenant a Notice of Landlord's intention to terminate this Lease and thereafter to terminate this Lease upon the date set forth by Landlord in such Notice.

The parties hereto acknowledge that the remedies set forth in Subsections 33.2.1(a) and (b) above shall be the exclusive rights and remedies of Landlord with respect to a Re-Entry Default or an Incipient Re-Entry Default based on Section 33.1.4.1 or Section 33.1.4.2, and shall preclude rights and remedies that may exist at law or in equity not expressed in this Lease.

33.2.2 Remedies for Non-Construction-Related Re-Entry Defaults. In the event that a Re-Entry Default based on Section 33.1.4.3 (abandonment) or Section 33.1.4.4 (significant monetary default) exists, Landlord shall have the right to pursue any and all of the following remedies:

- (a) proceed by appropriate judicial proceedings at law or in equity to enforce performance or observance by Tenant of the applicable provisions of this Lease;
- (b) proceed by appropriate judicial proceedings to recover damages from Tenant for breach of this Lease, provided, however, that such right to recover damages shall be subject to Sections 33.3.2 and 33.3.3 below; and/or
- (c) give Tenant a Notice of Landlord's intention to terminate this Lease and thereafter to terminate this Lease upon the date set forth by Landlord in such Notice.

The parties hereto acknowledge that the remedies set forth in Subsections 33.2.2(a), (b), and (c) above shall be the exclusive rights and remedies of Landlord with respect to a Re-Entry Default based on Section 33.1.4.3 or Section 33.1.4.4, and shall preclude rights and remedies that may exist at law or in equity not expressed in this Lease.

33.2.3 Remedies for Defaults Relating to Use Covenant. In the event that a Tenant Default based on Tenant's failure to comply with the Use Covenant set forth in Section 8.5.1 above exists beyond the applicable cure periods under Section 33.1.3 for such default, Landlord shall have the right to pursue any and all of the following remedies:

- (a) proceed by appropriate judicial proceedings at law or in equity to enforce performance or observance by Tenant of the applicable provisions of this Lease;
- (b) proceed by appropriate judicial proceedings to recover damages from Tenant for breach of this Lease, provided, however, that such right to recover damages shall be subject to Sections 33.3.2 and 33.3.3 below; and/or
- (c) elect to cure such Tenant Default.

The parties hereto acknowledge that the remedies set forth in Subsections 33.2.3(a), (b), and (c) above shall be the exclusive rights and remedies of Landlord with respect to a Tenant Default based on Tenant's failure to comply with the Use Covenant set forth in Section 8.5.1, and shall preclude rights and remedies that may exist at law or in equity not expressed in this Lease.

33.2.4 Remedies for All Other Defaults. With respect to a Tenant Default that is not a Re-Entry Default or an Incipient Re-Entry Default and is not based on Tenant's failure to comply with the Use Covenant set forth in Section 8.5.1, in the event such Tenant Default exists beyond the applicable cure periods under Section 33.1.3 for such default, Landlord shall have the right to pursue any and all of the following remedies:

- (a) proceed by appropriate judicial proceedings at law or in equity to enforce performance or observance by Tenant of the applicable provisions of this Lease;
- (b) proceed by appropriate judicial proceedings to recover damages from Tenant for breach of this Lease, provided, however, that such right to recover damages shall be subject to Section 33.3.2 (but not Section 33.3.3) below;
- (c) elect to cure such Tenant Default; and/or
- (d) pursue any other rights or remedies that may exist at law or in equity apart from this Lease (except that neither Landlord nor Landlord's agents and employees shall have the right to re-enter the Premises, or any part of the Premises, either by summary dispossession proceedings or by any other action or proceeding at law, or by force or otherwise, or to repossess the same, or to remove any Person from the Premises). Landlord expressly waives, releases and relinquishes any and all right to re-enter the Premises and/or terminate this Lease on account of a Tenant Default other than a Re-Entry Default or an Incipient Re-Entry Default which is not cured within applicable notice and cure periods, if any.

33.3 *General Rules.*

33.3.1 No Waiver of Default. No waiver of any default by Tenant hereunder shall be implied from any acceptance by Landlord of any rent or other payments due hereunder or any omission by Landlord to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than as specified in said waiver. The consent or approval of Landlord to any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent or approval to any subsequent similar acts by Tenant.

33.3.2 Damages. Except as otherwise specifically set forth in this Lease (including where damages are measured pursuant to Section 33.3.3 below), whenever a party has a right to damages for the default of another party under this Lease, (a) such damages shall be

limited to direct (actual) damages for the default of the other party under this Lease, and (b) each of Landlord and Tenant hereby expressly waives, releases and relinquishes any and all right to any expectation, anticipation, indirect, consequential, exemplary or punitive damages. Notwithstanding anything to the contrary, in the event that Tenant will not complete construction of the Parking Structure after construction thereof has commenced, Landlord shall be entitled to recover any and all actual costs relating to causing the remaining improvements to be demolished and the debris removed, so that the Premises are returned to Landlord as vacant and level land.

33.3.3 Damages For Re-Entry or Covenant Defaults. Upon the occurrence of either (a) a Re-Entry Default, or (b) a Tenant Default based upon Tenant's failure to comply with the Use Covenant in Section 8.5.1, Landlord's right to recover damages from Tenant shall be limited to an amount equal to all amounts not actually paid to Landlord when due from: (i) the Gap Funding Obligor pursuant to the Gap Funding Agreement; and (ii) any and all letters of credit and other security provided under the Gap Funding Agreement, the Security Agreement and the Other Agreements. The provisions of this Section, or any provision set forth in this Lease, shall not limit or preclude, in any way, the Gap Funding Obligor's obligations or the City's rights of recovery pursuant to the Gap Funding Agreement, the Security Agreement or the Other Agreements.

33.3.4 Right to Injunction. In the event of a breach by either party of any of its obligations under this Lease, the other party shall have the right to obtain an injunction, in addition to any other rights and remedies provided for herein. Each party acknowledges and agrees that the other would suffer great and irreparable harm and damage should either party breach its obligations hereunder, and further acknowledges and agrees that monetary compensation would not afford adequate relief to injured party. Accordingly, in the event of a breach or threatened breach by either party of any of its agreements or obligations hereunder, the other party shall have the right to injunctive relief, and in the event such injunctive relief is sought relative to the actual or threatened breach by the other party, the breaching party specifically waives its right in any litigation on account thereof to assert a factual or legal defense that the injured party would not be irreparably harmed or damaged thereby and that monetary compensation would be adequate relief.

33.3.5 Pending Dispute Regarding Default. Nothing in this Lease shall preclude a party from contesting the other party's declaration of a default hereunder.

33.3.6 Intentionally Omitted.

33.3.7 Exercise from Time to Time. Except as otherwise expressly provided in this Lease, the exercise by a party of one or more of the rights or remedies available to such party under this Lease shall not preclude the exercise by such party, at the same or different times, of any other rights or remedies set forth herein, for the same default or any other default by the other party.

33.3.8 Gap Funding Agreement Obligations. Nothing in this Lease shall limit or preclude in any way the Gap Funding Obligor's obligations or the City's rights of recovery pursuant to the Gap Funding Agreement, the Security Agreement or Other Agreements.

33.4 *Interest on Unpaid Rent.* Any installment of Fixed Rent owing to Landlord pursuant to the provisions of this Lease not paid when due shall bear interest from receipt of written notice of such default at the Prime Rate plus four percent (4%) per annum (provided that such rate of interest shall not be less than eight percent (8%) per annum, nor more than fifteen percent (15%) per annum), or the maximum rate allowed by law, whichever is less, until paid. In no event shall Tenant be responsible for any Late Charges.

33.5 *Landlord's Right to Cure Landlord's Default.* A failure by Landlord to timely observe or perform any of its obligations under this Lease shall constitute a default on the part of Landlord. Any such default by Landlord shall be subject to Landlord's right to cure, which cure must be completed within the following timeframes: (i) no later than ninety (90) calendar days after Landlord's receipt of Notice from Tenant regarding such default, if such default is reasonably capable of being cured within such period of time; or (ii) if such default is not reasonably capable of being cured within such 90-day period, and Landlord (aa) initiates corrective action within said period and (bb) diligently and in good faith works to effect a cure as soon as reasonably possible, then Landlord shall have such additional time as is reasonably necessary to cure the default. In the event that such default by Landlord is not cured by the expiration of the applicable timeframe set forth above, Tenant shall have the right to immediately take action based on any and all remedies available to Tenant under this Lease, at law or in equity.

34. *TERMINATION.*

34.1 *Generally.* Upon the Termination Date (whether pursuant to expiration of this Lease or earlier termination in accordance with its terms): (a) the Leasehold Estate and the Term shall terminate and Landlord shall retake possession of the Premises and all rights of Tenant shall come to an end with the same effect as if that day were the expiration date of the Lease; (b) Tenant shall surrender to Landlord the Premises and all improvements, fixtures, equipment, and personal property constituting part of the Premises or used in the maintenance or operation of the Parking Structure (other than signs bearing any trademark, service mark, or other Mark owned by Tenant or any Tenant Affiliate which Tenant is entitled to remove), and any personal property of Tenant not used for the maintenance and operation of the Parking Structure, all of which Tenant may remove) shall become Landlord's property, and (c) Landlord and Tenant shall have the additional rights and obligations set forth in this Section 34.

34.2 *Possession.* Upon the Termination Date (whether pursuant to expiration of this Lease or earlier termination in accordance with its terms), Tenant shall deliver to Landlord possession of the Premises, in its then current condition and state of repair. Landlord, in its sole discretion, may elect, on or before the date which is 120 days after the Termination Date, to either accept ownership of the improvements, fixtures, and personal property used in the maintenance and operation of the Premises, including the Parking Structure, or require Tenant to demolish the Parking Structure and all other improvements on the Premises, remove all debris, grade the land and fill all holes, and return the Premises to Landlord as vacant, clean, and level land, which work shall be completed with reasonable promptness, at Tenant's sole cost and expense, but the completion of which shall not be a condition to termination of this Lease.

34.3 *Utility and Other Deposits.* If any security deposit delivered by Tenant to any utility companies or other providers of services for the Premises are paid or credited to the account of Landlord, Landlord shall promptly reimburse Tenant the amount thereof.

34.4 *Adjustment of Revenues and Expenses.* Landlord and Tenant shall adjust between themselves, as of 11:59 p.m. on the Termination Date, all revenues and expenses of owning, operating, occupying, managing and maintaining the Premises, including all revenues and expenses of the Premises that would customarily be apportioned in connection with a conveyance of the Premises, including the income and expenses associated with Subleases and concession contracts (to the extent such Subleases and concession contracts survive the Termination Date and become the property of Landlord, either by assignment or sale). Such apportionments shall be calculated and determined in a manner consistent with proper accounting practices. A certified public accountant reasonably satisfactory to Landlord and Tenant shall resolve any disputes. To the extent either Landlord or Tenant receives any sum owed to the other party, Landlord or Tenant, as the case may be, shall hold that sum in trust for and shall promptly deliver such sum to the other party.

34.5 *Documentation.* Tenant shall deliver to Landlord copies or originals of all Subleases, Sublease files, maintenance and service records, plans, specifications, manuals and all other papers and documents that may be necessary or appropriate for the proper operation and management of the Premises, provided the same are in Tenant's possession.

34.6 *Miscellaneous Assignments.* Tenant shall assign to Landlord, without recourse, all assignable licenses and permits affecting the Premises and all assignable contracts, warranties and guarantees then in effect relating to the Premises.

34.7 *Termination of Memorandum of Lease.* If the parties have entered into and recorded a Memorandum of Lease, then they shall enter into a memorandum of termination, in recordable form reasonably satisfactory to both parties, stipulating to the date of termination of the Lease, which may be recorded with the Los Angeles County Recorder at the request of either party. The memorandum of termination shall constitute a binding stipulation by the parties.

34.8 *Re-Entry.* If Tenant does not surrender the Premises as aforesaid, Landlord or Landlord's agents and employees may re-enter the Premises, or any part of the Premises, by any suitable action or proceeding at law, and may repossess the same, and may remove any Person from the Premises, all so that Landlord may have, hold and enjoy the Premises and the Parking Structure.

34.9 *No Release.* Nothing in this Section 34 shall be interpreted as a release of Tenant for any obligation or liability or as a legal excuse for nonperformance of any obligation which arose prior to the Termination Date.

34.10 *No Relocation Assistance.* Tenant acknowledges that it is not entitled to relocation assistance or any other benefits under the California Relocation Assistance Act (Government

Code Section 7260, et seq.), the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C.A. § 4601, et seq.), or any other provisions of law upon expiration or earlier termination of this Lease.

34.11 *Survival*. This Section 34 shall survive the expiration or termination of this Lease.

35. *NO BROKER.*

Landlord and Tenant each represents and warrants that it did not engage any broker or finder in connection with this Lease and that no Person is entitled to any commission or finder's fee on account of any agreements or arrangements made by such party with any broker or finder. Each party hereby Indemnifies the other party against any breach of the foregoing representation by the Indemnitor.

36. *NONRECOURSE TO RELATED PARTIES.*

No Tenant Affiliate, and no shareholder, member, officer, director, representative, agent or employee of Tenant or any Tenant Affiliate, shall have any personal liability under this Lease. No shareholder, officer, director, representative, agent, employee or elected or appointed official of Landlord shall have any personal liability under this Lease.

37. *WAIVERS.*

37.1 *No Waiver by Silence*. Failure of either party to complain of any act or omission on the part of the other party shall not be deemed a waiver by the non-complaining party of any of its rights under this Lease. No waiver by either party at any time, express or implied, of any breach of any provisions of this Lease shall be a waiver of any breach of any other provision of this Lease or a consent to any subsequent breach of the same or any other provision. No acceptance by Landlord of any partial payment shall constitute an accord or satisfaction but shall only be deemed a partial payment on account.

37.2 *No Landlord's Lien*. Landlord confirms and acknowledges that Landlord has no lien or security interest in any personal property of Tenant located in, on or at the Premises, and that such personal property shall not constitute security for payment of any Rent. If, at any time after the Effective Date, any statute or principle of law would grant Landlord any such lien or security interest, then Landlord hereby waives the benefit of any such statute and lien. Landlord further agrees to execute such documentation, in recordable form, as Tenant shall reasonably require to confirm the foregoing waiver.

38. *MEMORANDUM OF LEASE.*

The parties shall at any time, at the request of either party, promptly execute, acknowledge and deliver duplicate originals of a recordable memorandum of lease (the "Memorandum of Lease") in the form of Exhibit G and containing such other information as may, from time to time, be legally required to be contained in a memorandum of lease.

39. *ADMINISTRATION OF LEASE; REPRESENTATIVES.*

39.1 *Representatives.* Landlord and Tenant agree that each party shall at all times during the Term be organized and structured in such a manner that there will be one individual authorized by such party to make binding approvals and other decisions relating to the Lease, except that Landlord's representative shall not be authorized to approve amendments or changes to this Lease or other agreements, which require approval by the Los Angeles City Council and its Mayor. Upon either party's request made from time to time by Notice to the other party, such party shall within 10 Business Days provide the other party with Notice of the name and address of such party's representative. Each party agrees that its representative will be reasonably available as needed to enable such party to perform its obligations under this Lease and that such party's representative will have full power to bind such party as to any matter relating to this Lease, except as provided otherwise in this Section.

39.2 *Change of Representative.* Either party may replace such party's representative from time to time, by Notice to the other party.

39.3 *Initial Landlord's Representatives.* Landlord designates the following individual as the initial Landlord's representative for purpose of this Lease:

Name: City Administrative Officer
Address: City Hall East
200 N. Main Street
Los Angeles, CA 90012
Attn: Debt Management Group

39.4 *Initial Tenant's Representative.* Tenant designates the following individual as the initial Tenant's representative for purposes of this Lease:

Name: Timothy J. Leiweke
Address: L.A. Parking Structures, LLC
c/o Anschutz Entertainment Group, Inc.
800 W. Olympic Blvd., Suite 305
Los Angeles, California 90015

40. *ESTOPPEL CERTIFICATES.*

40.1 *Rights of Each Party.* At any time and from time to time, upon not less than 30 days' prior written request ("Estoppel Certificate Request") by either party to this Lease ("Requesting Party"), the other party to this Lease ("Certifying Party") shall execute, acknowledge and deliver to the Requesting Party (or directly to a third party whose name and address are provided by the Requesting Party, referred to herein as a "Third Party") up to four original counterparts of an Estoppel Certificate as set forth in Exhibit H. Any Estoppel

Certificate may be relied upon by any Third Party to whom an Estoppel Certificate is required to be directed.

40.2 *Time Period for Execution.* The Certifying Party shall execute and deliver to the Requesting Party (or its attorneys or the Third Party(ies) designated by such Requesting Party) the Estoppel Certificate counterpart(s) provided by the Requesting Party, setting forth with reasonable specificity any alleged exceptions to the statements required to be contained in such Estoppel Certificate, within 30 days following its receipt of an Estoppel Certificate Request. If the Certifying Party fails to respond within 30 days after its receipt of an Estoppel Certificate Request, the Requesting Party shall have the right to resubmit its request. If the Certifying Party again fails to respond within 5 business days following its receipt of a second Estoppel Certificate Request, then, in that event only, the Certifying Party shall be deemed to have confirmed the accuracy of the matters set forth in the Estoppel Certificate Request.

41. *ORDINANCE MANDATED PROVISIONS*

41.1 *Attached Ordinance Provisions.* The parties to this Lease hereby acknowledge that the City of Los Angeles Administrative Code contains various ordinances that mandate certain provisions in certain types of agreements to which City is a party. Some of such ordinances are codified in the following City of Los Angeles Administrative Code Sections:

- (a) Section 10.8 (Mandatory Provisions Pertaining to Non-discrimination in Employment in the Performance of City Contracts), including without limitation Section 10.8.2 (Non-discrimination clause), Section 10.8.2.1 (Equal Benefits Ordinance), Section 10.8.3 (Equal Employment Practices Provisions), and Section 10.8.4 (Affirmative Action Program Provisions), all of which are set forth in Exhibit I-1.
- (b) Section 10.10 (Child Support Assignment Orders), which is set forth in Exhibit I-2.
- (c) Section 10.36 (Service Contractor Worker Retention), which is set forth in Exhibit -3I.
- (d) Section 10.37 (Living Wage), which is set forth in Exhibit I-4.
- (e) Section 10.40 (Contractor Responsibility Program), which is set forth in Exhibit I-5.
- (f) Section 10.41 (Regulations Regarding Participation in or Profits Derived from Slavery by any Company Doing Business with the City), which is set forth in Exhibit I-6.
- (g) Section 10.44 (First Source Hiring), which is set forth in Exhibit I-7.
- (h) Section 10.45 (Public Infrastructure Stabilization Ordinance), which is set forth in Exhibit I-8.
- (i) Section 10.47 (Local Business Preference Program), which is set forth in Exhibit I-9.

The parties agree that the applicability of the above-referenced Administrative Code Sections to this Lease will need to be determined from time to time during the Term, and such determination shall be made in accordance with and pursuant to such Administrative Code

Sections, the rules and regulations, if any, promulgated therefor, all judicial and /or regulatory determinations interpreting, administering, and/or applying in any way to such Administrative Code Sections or the enforcement thereof. To the extent any of the Administrative Code Sections listed above is determined to be applicable to this Lease: (i) this Lease shall be subject to such Administrative Code Section, as amended, (ii) Tenant shall, to the extent required by such ordinance, comply and ensure compliance with all applicable obligations and requirements set forth in such Administrative Code Section, as amended; and (iii) to the extent such Administrative Code Section requires inclusion in this Lease certain language or provision, the parties hereto agree that such language/provision shall be deemed included in this Lease (with the appropriate adjustment for defined terms) and shall have the same effect as if it were fully set forth in this Section 42.

To the extent, from time to time during the Term, any of the Administrative Code Sections listed above is determined to be applicable to this Lease: (i) this Lease shall be subject to such Administrative Code Section, as amended, (ii) Tenant shall, to the extent required by such ordinance, comply and ensure compliance with all applicable obligations and requirements set forth in such Administrative Code Section, as amended; and (iii) to the extent such Administrative Code Section requires inclusion in this Lease certain language or provision, the parties hereto agree that such language/provision shall be deemed included in this Lease (with the appropriate adjustment for defined terms) and shall have the same effect as if it were fully set forth in this Section 42.

To the extent that Section 10.10 (Child Support Assignment Order) of the Administrative Code: (i) is applicable to this Lease and (ii) contains terms and provisions that conflict with terms and provisions of this Lease, the terms and provisions of Section 10.10 of the Administrative Code shall govern.

41.2 Tax Registration Certificates And Tax Payments. This Section is applicable where Tenant is engaged in business within the City of Los Angeles and Tenant is required to obtain a Tax Registration Certificate ("TRC") pursuant to one or more of the following article (collectively "Tax Ordinances") of Chapter II of the Los Angeles Municipal Code: Article 1 (Business Tax Ordinance) [section 21.00, et seq.], Article 1.3 (Commercial Tenant's Occupancy Tax) [section 21.3.1, et seq.], Article 1.7 (Transient Occupancy Tax) [section 21.7.1, et seq.], Article 1.11 (Payroll Expense Tax) [section 21.11.1, et seq.], or Article 1.15 (Parking Occupancy Tax) [section 21.15.1, et seq.]. Prior to the execution of this Lease, or the effective date of any extension of the Term or renewal of this Lease, Tenant shall provide to the City Administrative Officer proof satisfactory to the City Administrative Officer that Tenant has the required TRCs and that Tenant is not then currently delinquent in any tax payment required under the Tax Ordinances. City may terminate this Lease upon thirty (30) days' prior written notice to Tenant if City determines that Tenant failed to have the required TRCs or was delinquent in any tax payments required under the Tax Ordinances at the time of entering into, extending the Term of, or renewing this Lease. City may also terminate this Lease upon ninety (90) days prior written notice to Tenant at any time during the Term of this Lease if Tenant fails to maintain required TRCs or becomes delinquent in tax payments required under the Tax Ordinances and Tenant fails to cure such deficiencies within the ninety (90) day period (in lieu of any time for cure provided in Section 33).

42. MISCELLANEOUS.

42.1 *Proprietary and Governmental Roles; Standards Applicable to Parties.* Except where clearly and expressly provided otherwise in this Lease, the capacity of Landlord in this Lease shall be as ground lessor only ("Proprietary Capacity"), and any obligations or restrictions imposed by this Lease on Landlord shall be limited to that capacity and shall not relate to, constitute a waiver of, supersede or otherwise limit or affect the governmental capacities of Landlord, including, without limitation, enacting laws, inspecting structures, reviewing and issuing permits, and all of the other legislative and administrative or enforcement functions of each pursuant to federal, state or local law ("Governmental Capacity"). Whenever not expressly otherwise stated, (a) Landlord, when acting in its Proprietary Capacity, shall not unreasonably withhold its approvals to matters requiring its approval hereunder, (b) Tenant shall not unreasonably withhold its approval to matters requiring its approval hereunder and (c) Landlord, when acting in its Governmental Capacity, shall be permitted to utilize such discretion as is legally permitted in such Governmental Capacity with respect to matters requiring its approval hereunder.

42.2 *Documents in Recordable Form.* Wherever this Lease requires either party to deliver to the other a document in recordable form, both parties shall be deemed to have consented to the recording of such document, at the sole expense of the party that elects to record it.

42.3 *Further Assurances.* Each party agrees to execute and deliver such further documents, and perform such further acts, as may be reasonably necessary to achieve the intent of the parties with respect to this Lease. Without limiting the generality of this paragraph, upon request at any time or from time to time either party shall execute and deliver to the other (a) additional counterparts of this Lease or any related documents, provided such additional counterparts are prepared at the expense of the party requesting them, and (b) such documentation as any title insurance company shall require to evidence such matters as due formation, authorization and execution of the Lease on the part of the party of whom the request is made, provided that the costs of providing such documentation are paid by the party on whose behalf the request is made.

42.4 *Non-Disruption.* Landlord and Tenant each commits in good faith to actively collaborate with the other in attempting to arrive at practical solutions in order to minimize any disruptions to LACC events and LACC revenues to the greatest extent reasonably practicable during Tenant's construction of the Parking Structure. In particular, once Tenant has established and presented to Landlord its construction and mobilization schedule for the construction of the Parking Structure, Landlord will develop and present to Tenant a schedule of potential LACC events to be held during the period of construction of the Parking Structure. Based upon such schedules, the Parties shall thereafter work together on an on-going collaborative basis to jointly identify potential solutions intended to avoid or mitigate to the greatest extent possible such disruption to LACC revenue generating activities during such period; including without limitation, the parties shall explore such measures as seeking to adjust the scheduling of certain construction activities, providing alternative parking arrangements or temporary substitute

venues, and the like. Only after having first jointly exhausted all potential avoidance or mitigation efforts, Tenant shall reimburse LACC for its clearly demonstrated losses actually suffered solely and directly as a result of the disruption to LACC revenue generating events as a result of Tenant's construction of the Parking Structure. In addition, as part of the parties' collaborative efforts to mitigate any such disruption, there may be instances where the parties mutually determine that economic incentives must be offered to contracted LACC clients (for space or date moves or both) throughout the construction process. To the extent the Parties mutually determine that such incentives are reasonably necessary, the actual cost to LACC of such incentives will be reimbursed to LACC by Tenant. Notwithstanding anything herein to the contrary, Landlord acknowledges that Tenant shall have no liability for any loss of revenue which may be attributable to general market conditions or the failure of LACC to attract or retain business due to competitive reasons unrelated to any disruption which may be caused by Tenant's construction of the Parking Structure. Landlord acknowledges that the mere lack of parking shall not be considered a disruption for purposes of this Section.

42.5 Performance Under Protest. If at any time a dispute shall arise as to the amount of any payment to be made by one party to the other under this Lease, then the party against whom the obligation to pay is asserted shall have the right to make payment "under protest." Such payment shall not be regarded as a voluntary payment. The party making the payment shall continue to have the right to institute suit for recovery of such sum. To the extent that it shall be determined that the party making the payment "under protest" was not required to make such payment, such party shall be entitled to recover such sum or so much of such sum as such party was not legally required to pay pursuant to this Lease, together with interest on such overpayment at the Prime Rate.

42.6 No Third Party Beneficiaries. Nothing in this Lease shall be deemed to confer upon any Person (other than Landlord, Tenant or Leasehold Mortgagees exercising the express rights for Leasehold Mortgagees set forth in this Lease) any right to insist upon, or to enforce against Landlord or Tenant, the performance or observance by either party of its obligations under this Lease.

42.7 Interpretation. No inference in favor of or against any party shall be drawn from the fact that such party has drafted any portion of this Lease. The parties have both participated substantially in the negotiation, drafting and revision of this Lease with representation by counsel and such other advisers as they have deemed appropriate. Wherever required by the context of this Lease, the singular shall include the plural and the masculine shall include the feminine and vice versa. The words "include" and "including" shall be construed to be followed by the words: "without limitation."

42.8 Captions. The captions of this Lease are for convenience and reference only and in no way affect this Lease.

42.9 Entire Agreement. This Lease constitutes the entire agreement between Landlord and Tenant relating to Tenant's leasing of the Premises.

42.10 Amendment. Any modification or amendment to this Lease must be in writing

signed by Landlord and Tenant and consented to by any Leasehold Mortgagee(s) having the right to consent to amendments or modifications of this Lease pursuant to the terms of this Lease.

42.11 *Partial Invalidity.* If any term or provision of this Lease or the application of such term or provision to any party or circumstance shall to any extent be invalid or unenforceable, then the remainder of this Lease, or the application of such term or provision to Persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected by such invalidity, and each remaining term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

42.12 *Successors and Assigns.* This Lease shall bind and benefit Landlord and Tenant and their permitted successors and assigns, but the foregoing shall not limit or supersede any transfer restrictions contained in this Lease.

42.13 *Governing Law.* This Lease and its interpretation and performance shall be governed, construed and regulated by the laws of the State, without regard to principles of conflict of laws, and the forum for all disputes arising hereunder shall be Los Angeles County, California.

42.14 *Obligation to Perform.* Wherever this Lease requires either party to perform any obligation, such party shall be entitled to discharge such obligation by causing it to be performed by some other Person, but the foregoing shall in no way limit, restrict or excuse Landlord's or Tenant's obligations under this Lease or the restrictions on assignment, conveyance or transfer contained in this Lease.

42.15 *Counterparts.* This Lease may be executed in counterparts.

42.16 *Time Periods.* Whenever this Lease requires either party to perform any action within a specified period, or requires that a particular event occur within a specified period, if the last day of such period is not a Business Day, then the period shall be deemed extended through the close of business on the first Business Day following such period as initially specified.

42.17 *No Other Agreements or Representation.* No person acting on behalf of Landlord is authorized to make, and by execution hereof, Tenant acknowledges that no person has made, any representation, agreement, statement, warranty, guarantee or promise regarding this Lease, the Premises, or the transaction contemplated herein or the construction, hazardous materials, physical condition or other status of the Premises except as may be expressly set forth in this Lease. No representation, warranty, agreement, statement, guarantee or promise, if any, made by any person acting on behalf of Landlord which is not contained in this Lease shall be valid or binding on Landlord.

42.18 *Modifications to Legal Descriptions of Property.* The Premises is proposed to be modified with the addition of (a) certain areas proposed to be vacated pursuant to certain street vacations (the "Street Vacations") and (b) certain areas currently owned by the California Department of Transportation (the "Caltrans Add Areas"). Upon the recordation of each "Resolution to Vacate" with respect to the Street Vacations and upon the grant by Caltrans to the

City of one or more of the Caltrans Add Areas, such property shall automatically, and without further action of the Parties, be deemed included as part of the Premises as though such property were included in the legal description of the Premises, and each part thereof as of the Effective Date. To reflect these changes, prior to the issuance of the certificate of occupancy for the Event Center, the Parties shall revise the legal descriptions for the Premises with a final legal description and shall record an updated Memorandum of Lease correcting the legal description set forth in Exhibit A to this Lease. City Council approval shall not be required in connection with the foregoing correction of the legal descriptions.

42.19 *Attorneys' Fees.* In the event of any litigation involving the parties to enforce any provision of this Lease, to enforce any remedy hereunder, or to seek a declaration of the rights of either party, the prevailing party shall not be entitled to recover from the other party any attorneys' fees, costs and expenses incurred in connection with the prosecution or defense of such action.

43. *NOTICES.*

All Notices shall be in writing and shall be addressed to Landlord and Tenant as set forth below. Notices shall be (a) delivered by courier service to the addresses set forth below, in which case they shall be deemed delivered on the date of delivery (or the date delivery is refused) to the address(es) set forth below, (b) sent by certified mail, return receipt requested, in which case they shall be deemed delivered, on the date of delivery (or the date delivery is refused) or (c) transmitted by facsimile transmission (promptly followed by delivery under option (a) or (b) above, in which case they shall be deemed delivered on the date delivery has been electronically confirmed by the recipient's facsimile machine, as evidenced by the written confirmation produced by the sender's facsimile machine. Either party may change its address, its facsimile machine number, or the name and address of its attorneys by giving Notice in compliance with this Lease. Notice of such a change shall be effective only upon receipt. Notice given on behalf of a party by any attorney purporting to represent a party shall constitute Notice by such party if the attorney is, in fact, authorized to represent such party. The addresses and facsimile machine numbers of the parties are:

Landlord:

The City of Los Angeles
City Administrative Officer
200 North Main Street
Los Angeles, California 90012
Fax No.: (213) 687-8213

The City of Los Angeles
Chief Legislative Analyst
200 North Main Street
Los Angeles, California 90012
Fax No.: (213) 485-8983

The City of Los Angeles
Office of the City Clerk
200 North Main Street
Los Angeles, California 90012
Fax No.: (213) 687-8213

and with a copy to:

The City of Los Angeles
City Attorney's Office
City Hall East, 8th Floor
200 North Main Street
Los Angeles, California 90012
Fax No.: (213) 485-8899
Attn: Jane E. Usher
Senior Assistant City Attorney

Tenant:

L.A. Parking Structures, LLC
800 W. Olympic Blvd., Suite 305
Los Angeles, CA 90015
Attn: Ted Tanner
Fax No.: (213) 763-7711

with a copy to:

L.A. Parking Structures LLC
800 W. Olympic Blvd., Suite 305
Los Angeles, CA 90015
Attn: Ted Fikre, Esq.
Fax No.: (213) 742-7294

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, Landlord and Tenant have caused their duly authorized representatives to execute this Lease to become effective on the Effective Date.

"LANDLORD"

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

APPROVED AS TO FORM:
CARMEN A. TRUTANICH, City Attorney

By: _____
Name: _____
Title: _____

By: _____
JANE E. USHER,
Senior Assistant City Attorney

DATE: _____

ATTEST:
JUNE LAGMAY, City Clerk

By: _____
Deputy

DATE: _____

"TENANT"

L.A. PARKING STRUCTURES, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

EXHIBIT A: DESCRIPTION OF PREMISES

See attached.

PSOMAS

LEGAL DESCRIPTION

BOND STREET GARAGE

Parcel 2 of Official Map No. 2, in the City of Los Angeles, County of Los Angeles, State of California as per map recorded in Book 5, Pages 38, 39 and 40, of Official Maps, Records of said County and recorded as Instrument No. 89-958587, Official Records of said County.

This Legal Description is described on the accompanying exhibit "Exhibit Map Bond Street Garage", is made a part hereof for reference purposes and was prepared as a convenience and is not intended for the use in the division and/or conveyance of land in violation of the Subdivision Map Act of the State of California.



A handwritten signature in black ink, appearing to read "John Chiappe, Jr.", written over a horizontal line.

John Chiappe, Jr., PLS 7230

PSOMAS

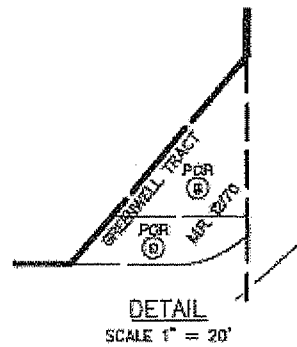
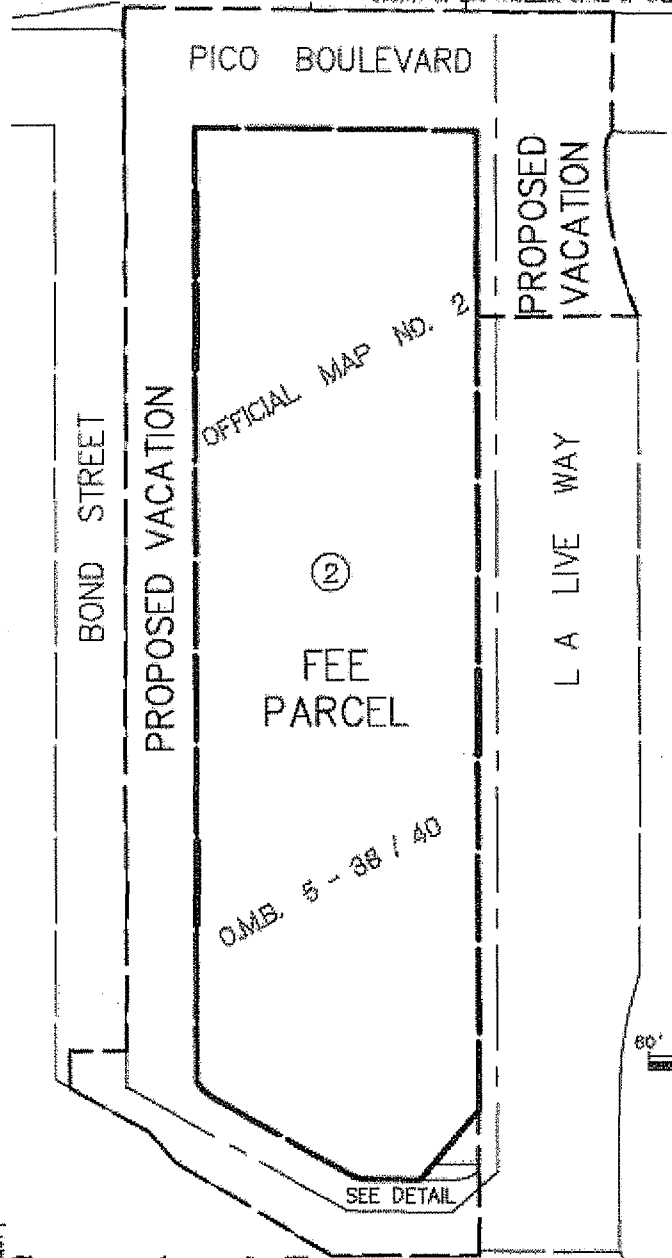
Date: 8/29/2012

SCALE 1" = 60'

SHEET 1 OF 1 SHEET

EXHIBIT MAP BOND STREET GARAGE

IN THE CITY OF LOS ANGELES
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA



DATE: 08/29/12 REVISED ON:
JOB No: 1AEG010604 TASK 103

**Convention & Event
Center Project**

AEG0023-05

PSOMAS

555 South Flower Street, Suite 4400
Los Angeles, CA 90071
(213) 223-1400 (213) 223-1444 (FAX)

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EXHIBIT B: GLOSSARY OF DEFINED TERMS

Unless the applicable context shall otherwise require, the following terms shall have the following respective meanings for all purposes. The following definitions are equally applicable both to the singular and plural forms and the feminine, masculine and neuter forms of the terms defined. Any agreement defined or referred to below shall include each amendment, modification and supplement thereto and waiver thereof entered into from time to time in compliance therewith. Any term defined below by reference to any agreement, instrument or other document shall have such meaning whether or not such agreement, instrument or other document is in effect. In the event that any terms or definitions set forth in this Exhibit B conflicts with any terms and provisions of the body of this Lease, the terms and provisions set forth in the body of this Lease shall govern.

Abandonment. The term "Abandonment" is defined in Section 33.1.4.3.

Additional Permitted LACC Events. The term "Additional Permitted LACC Events" is defined in Section 8.3.1.

Additional Rent. The term "Additional Rent" means any and all sums of money and payments to be paid by Tenant to Landlord pursuant to this Lease, other than Fixed Rent.

Affiliate. An "Affiliate" of any Person means, when used with reference to a specified person or entity, any person or entity who directly or indirectly controls, is controlled by or is under common control with the specified person or entity. In the case of Tenant, Affiliate includes any person or entity who directly or indirectly controls, is controlled by or is under common control with Tenant, Anschutz Entertainment, Inc., the owner of any NFL team or Philip F. Anschutz.

Approved Schematics. The term "Approved Schematics" is defined in Section 5.4.1.

Assign or assignment. The term "Assign" or "assignment" is defined in Section 19.1.4.

Bankruptcy Proceeding. The term "Bankruptcy Proceeding" is defined in Section 25.1.

Business Day. A "Business Day" means Monday through Friday with the exception of holidays observed by the City of Los Angeles. Unless otherwise specified, all references in this Lease to periods of time of ten (10) days or less shall mean Business Days; otherwise, "days" shall mean calendar days.

Casualty. A "Casualty" means any damage or destruction affecting any or all improvements located on the Premises.

Certifying Party. The term "Certifying Party" is defined in Section 40.1.

City. The term "City" means the City of Los Angeles, a municipal corporation.

Claim. The term "Claim" is defined in Section 11.3.9.1.

Close of Escrow. The term "Close of Escrow" is defined in Section 1.6. The term "Closing" shall have the same meaning.

Commence Construction. The terms "Commence Construction," "Commencement of Construction" and terms of like import mean and refer to Tenant's commencement of construction of the Project (i.e., commencement of construction of foundations after Tenant's demolition of all previously existing structures on the Premises and after obtaining a foundation building permit).

Commencement Obligation. The term "Commencement Obligation" is defined in Section 5.3.

Complete or Completion. See definition of "Completion of Construction."

Completion of Construction. The terms "Complete Construction," "Completion of Construction," "Completion," "Complete," "Complete the Project," and terms of like import mean and refer to the date upon which a temporary or permanent certificate of occupancy (whichever is earlier) is issued by the City for substantially all of the Project. When the concept of completion is used in connection with the construction of a structure or an improvement other than the Project, completion shall refer to the date upon which a temporary or permanent certificate of occupancy (whichever is earlier) is issued by the City for substantially all of such structure/improvement.

Completion Obligation. The term "Completion Obligation" is defined in Section 5.3.

Construction Term. The term "Construction Term" is defined in Section 4.1.2.

Construction Term Commencement Date. The term "Construction Term Commencement Date" is defined in Section 5.1.

Contested Items. The term "Contested Items" is defined in Section 14.

Control of the Premises. The term "Control of the Premises" means actual possession of the Premises, including possession by a receiver, or the completion of acquisition of the Leasehold Estate by foreclosure proceedings or otherwise, including receipt of assignment of lieu of foreclosure.

County. The "County" means Los Angeles County, State of California.

Curable Tenant Default. The term "Curable Tenant Default" means any Tenant Default which is not a Non-Curable Tenant Default.

Demolition Commencement Notice. The term "Demolition Commencement Notice" is defined in Section 5.1.

Depository. The term "Depository" means a bank or escrow company designated by Landlord and Tenant for the purpose of holding and disbursing insurance or Taking proceeds in accordance with this Lease.

District. The term "District means Tenant's Affiliate's mixed-use entertainment district referred to as "L.A. Live."

Effective Date. The term "Effective Date" is defined in the first paragraph of this Lease.

Emergency. The term "Emergency" means a condition requiring immediate repair, replacement or other action: (a) to prevent imminent damage (including environmental damage) to any portion of the Premises or improvements or any neighboring property or portion thereof; (b) for the safety of occupants or any other Person; or (c) to avoid the suspension of any necessary service in the Premises.

Environmental Agency. The term "Environmental Agency" is defined in Section 11.3.9.2.

Environmental Laws. The term "Environmental Laws" is defined in Section 11.3.9.3.

Equipment Liens. The term "Equipment Liens" means security interests, financing leases, and similar arrangements (including the corresponding UCC-1 financing statements) relating to Tenant's acquisition or financing of fixtures, personal property used in connection with the operation of the Parking Structure that are leased, purchased pursuant to conditional sale or installment sale arrangements, or used under licenses, such as fixtures and equipment, telephone, telecommunications and facsimile transmission equipment, point of sale equipment, televisions, radios, and computer systems. The lessor, seller or other secured party under an Equipment Lien may be a Tenant Affiliate.

Escrow Company. The term "Escrow Company" means Chicago Title Company, 700 S. Flower Street, Suite 800, Los Angeles, CA 90017.

Estoppel Certificate. An "Estoppel Certificate" means a statement in writing containing all (or, at the option of the Requesting Party, only some) of the statements set forth in the form attached as Exhibit I and containing such additional information relating to this Lease and the Premises as the Requesting Party shall reasonably specify.

Estoppel Certificate Request. The term "Estoppel Certificate Request" is defined in Section 40.1.

Event Center. The term "Event Center" means the facility described in Section 1.3.

Event Center Ground Lease. The term "Event Center Ground Lease" means that certain Event Center Ground Lease between the City and L.A. Event Center, LLC.

Excluded Environmental Claims. The term "Excluded Environmental Claims" is defined in Section 11.3.1.

Existing Parking Lease. The term "Existing Parking Lease" is defined in Section 1.7.

Fee Estate. The "Fee Estate" means Landlord's fee estate in the Premises or any part of the Premises or any direct or indirect interest in such fee estate.

Fee Mortgage. The term "Fee Mortgage" is defined in Section 18.2.

Financing Cap. The term "Financing Cap" is defined in Section 20.3.

First Fixed Rent. The term "First Fixed Rent" is defined in Section 6.5.

Fixed Rent. The term "Fixed Rent" is defined in Section 6.1.

Fixed Rent Amount. The term "Fixed Rent Amount" is defined in Section 6.4

Fixed Rent Year. The term "Fixed Rent Year" is defined in Section 6.2.

Force Majeure Event. The term "Force Majeure Event" means any cause beyond the reasonable control and not due to the negligent or willful misconduct of the party affected, and which could not have been avoided by due diligence and use of commercially reasonable efforts, including drought, flood, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance, sabotage, explosions, strikes, lock-outs or labor disputes, the existence of hazardous waste, unforeseen subsurface conditions, orders or judgments of any Government Agency, the absence, suspension, termination, interruption, denial or failure of renewal of any entitlements, applicable permits (unless such absence, suspension, termination, interruption, denial or failure is due to failure to perform by Tenant or any employee, contractor or consultant under its control) citizens' initiatives and referendums, administrative and court orders (including the pendency thereof), or any changes in Law and which actually cause delay; provided that in all events financial inability is excepted.

Gap Funding Agreement. The term "Gap Funding Agreement" means that certain agreement captioned "NEW HALL GAP FUNDING AGREEMENT" by and among the Landlord, Tenant, L.A. Event Center, LLC, a Delaware limited liability company, and GFA Co-Obligor, made as of the Effective Date of this Lease.

Gap Funding Obligor. The term "Gap Funding Obligor" is defined in the Gap Funding Agreement.

Government Agency. The term "Government Agency" means any and all federal, state, county, municipal and local governmental and quasi-governmental bodies and authorities (including the United States of America, the State of California, the City, the County of Los Angeles, and any political subdivision, public corporation, district or other political or public entity) or departments or joint power authorities thereof having or exercising jurisdiction over the parties, the Premises, or such portions thereof as the context indicates.

Governmental Capacity. The term "Governmental Capacity" is defined in Section 42.1.

Hazardous Substance. The term "Hazardous Substances" is defined in Section 11.3.9.4.

Implementation Agreement. The term "Implementation Agreement" is defined in Section 1.6.

Impositions. The term "Impositions" means all taxes, special and general assessments, water rents, rates and charges, commercial rent taxes, sewer rents and other impositions and charges of every kind and nature whatsoever with respect to the Premises, that may be assessed, levied, confirmed, imposed or become a lien on the Premises by or for the benefit of any Government Agency with respect to any period during the Term together with any taxes and assessments that may be levied, assessed or imposed by the State or by any political or taxing subdivision of the State upon the gross income arising from any Rent or in lieu of or as a substitute, in whole or in part, for taxes and assessments imposed upon or related to the Premises and commonly known as real estate taxes or possessory interest taxes. The term "Impositions" shall, however, not include any of the following, all of which shall be the responsibility of Landlord: (a) any franchise, income, excess profits, estate, inheritance, succession, transfer, gift, corporation, business, capital levy, or profits tax, or license fee, of Landlord, (b) the incremental portion of any of the items in this paragraph that would not have been levied, imposed or assessed but for any prohibited sale or other direct or indirect transfer of the Fee Estate or any execution of any Fee Mortgage during the Term, and (c) interest, penalties and other charges with respect to the foregoing items "a" and "b".

Incipient Re-Entry Default. The term "Incipient Re-Entry Default" is defined in Section 22.2.3.

Include; Including. The terms "include" and "including" are defined in Section 41.7.

Indemnify. Wherever this Lease provides that a party shall "Indemnify" another from or against a particular matter, such term means that the Indemnitor shall indemnify the Indemnitee (and its elected officials, partners, members, officers, directors, agents and employees) and defend and hold the Indemnitee (and its elected officials, partners, members, officers, directors, agents and employees) harmless from and against any and all Loss incurred or suffered by the Indemnitee (and its elected officials, partners, members, officers, directors, agents and employees) on account of the matter that is the subject of such indemnification or in enforcing the Indemnitor's indemnity.

Indemnitee. An "Indemnitee" is a party that is entitled to be Indemnified pursuant to this Lease.

Indemnitor. An "Indemnitor" is a party that agrees to Indemnify another party pursuant to this Lease.

Institutional Lender. The term "Institutional Lender" means a nationally recognized bank, savings and loan association, investment bank, or other institutional lender which, together with its Affiliates, has a net worth of One Billion Dollars (\$1,000,000,000) or more. The participation or securitization of a loan by an Institutional Lender shall not give rise to any requirement that each

lender participating in such participation or securitization itself be an Institutional Lender, so long as (a) at the inception of the loan, the originating and agent lender is an Institutional Lender, and (b) at the time of any subsequent assignment of the loan, the assignee and agent lender is an Institutional Lender.

Intermediate Fixed Rent. The term "Intermediate Fixed Rent" is defined in Section 6.3.

Investigation. The term "Investigation" is defined in Section 11.3.9.5.

"Know" or "Knowledge". The term "Know" and "Knowledge" are defined in Section 26.2.

LACC. The term "LACC" means, depending on context, the Los Angeles Convention and Exhibition Center itself or the Department of the City that operates and manages the Los Angeles Convention and Exhibition Center.

Landlord Delay. The term "Landlord Delay" shall mean any delay in the Commencement of Construction of the Project or Completion of Construction of the Project to the extent caused by an act or omission of Landlord or any agent, contractor, consultant, agent, employee or other representative of Landlord, provided however that this definition shall not include any act or omission of Landlord in its Governmental Capacity.

Last Fixed Rent. The term "Fixed Rent" is defined in Section 6.7.

Law. The term "Law" or "Laws" means all applicable (a) laws, ordinances, orders, judgments, rules, regulations, requirements, conditions, mandatory guidelines or directives of any applicable Government Agency affecting the development, improvement, alteration, use, maintenance, operation or occupancy of the Premises or any part of the Premises, including, without limitation, all Environmental Laws and (b) any mitigation plan imposed by any Government Agency pursuant to the California Environmental Quality Act, including with respect to each of the foregoing laws or regulations that require alterations or additions to the improvements on the Premises, in each case whether foreseen or unforeseen, ordinary or extraordinary and whether in force at the Effective Date or passed, enacted or imposed at any time thereafter, subject in all cases, however, to all applicable waivers, variances and exemptions limiting the application of the foregoing to the Premises.

Lease. The term "Lease" is defined in the first paragraph of this Lease.

Lease Revenue Bonds. The term "Lease Revenue Bonds" is defined in the Gap Funding Agreement.

Leasehold Estate. The term "Leasehold Estate" means Tenant's leasehold estate arising under this Lease, upon and subject to all the terms and conditions of this Lease, or any part of such leasehold estate.

Leasehold Mortgage. The term "Leasehold Mortgage" means any mortgage, deed of trust,

deed to secure debt, assignment, security interest, pledge, financing statement, bonds or any other instrument(s) or agreement(s) intended to grant security for any obligation (including a purchase-money or other promissory note) encumbering the Leasehold Estate, as entered into, renewed, modified, consolidated, amended, extended or assigned from time to time during the Term. A "Leasehold Mortgage" also includes certain agreements entered into in connection with a "sale and leaseback" transaction, as described in the text of this Lease.

Leasehold Mortgagee. A "Leasehold Mortgagee" means the holder of a Leasehold Mortgage. A "Leasehold Mortgagee" also includes certain parties to "sale and leaseback" transactions, as described in the text of this Lease.

Loss. The term "Loss" means all claims, costs, demands, losses, expenses, damages, liens, liabilities, suits, writs, actions and causes of action, threatened or actual, property damage, personal or bodily injury, deaths, penalties, fines, lawsuits and other proceedings, judgments and awards rendered therein, including reasonable expert fees and court costs, and all other costs, damage or liability of any nature whatsoever, but excluding attorneys' fees and costs of either party.

Major Casualty. The term "Minor Casualty" means any Casualty where the cost to restore the damaged improvements is more than twenty percent (20%) of the replacement cost of the Parking Structure.

Material Change. The term "Material Change" is defined in Section 11.1.

Marks. The term "Marks" means any service marks, trademarks, names, titles, descriptions, slogans, emblems or logos used from time to time in connection with the Premises.

Memorandum of Lease. The term "Memorandum of Lease" is defined in Section 38.

Minor Casualty. The term "Minor Casualty" means any Casualty which is not a Major Casualty.

Monetary Default. A "Monetary Default" means any failure by Tenant to pay any Rent or other sum(s) of money payable pursuant to this Lease, when and as required to be paid pursuant to this Lease, after the passage of any applicable cure period.

Mortgagee's Cure. The term "Mortgagee's Cure" is defined in Section 22.4.

Mortgagee's Cure Rights. The term "Mortgagee's Cure Rights" is defined in Section 22.4.

New Hall. The term "New Hall" is defined in Section 1.3.

New Lease. The term "New Lease" is defined in Section 23.1.

New Tenant. The term "New Tenant" is defined in Section 23.2.

Non-Curable Tenant Default. A "Non-Curable Tenant Default" means any Non-Monetary Default by Tenant that is not reasonably susceptible of cure by a Leasehold Mortgagee, such as bankruptcy or insolvency and any other Non-Monetary Default that by its nature relates only to Tenant or Tenant Affiliates or can reasonably be performed only by Tenant or Tenant Affiliates. The financial condition of any Leasehold Mortgagee shall not be considered in determining whether a Tenant Default is a Non-Curable Tenant Default.

Non-Disturbance and Attornment Agreement. The term "Non-Disturbance and Attornment Agreement" is defined in Section 19.3.1.

Non-Institutional Lender. The term "Non-Institutional Lender" means any lender which is not an Institutional Lender.

Non-Monetary Default. A "Non-Monetary Default" means any failure by Tenant to perform as required by this Lease, other than a Monetary Default. "Non-Monetary Defaults" shall include, without limitation, the following, whether or not otherwise explicitly referred to in this Lease: (a) any representation or warranty by Tenant herein proves to have been false or materially incorrect or misleading when made; and (b) a voluntary or involuntary petition for liquidation or reorganization is filed by or against Tenant and such petition is not dismissed within six months.

Non-Possessory Period. The term "Non-Possessory Period" is defined in Section 4.1.1.

Notice. The term "Notice" means any notice, demand, request, election, designation, or consent, including any of the foregoing relating to a Tenant Default or alleged Tenant Default, that is permitted, required or desired to be given by either party in connection with this Lease. Notices shall be delivered, and shall become effective, only in accordance with the "Notices" Article of this Lease.

Notice of Default. A "Notice of Default" means any Notice from one party to the other claiming or giving Notice of a Tenant Default or alleged Tenant Default by the recipient.

Notice of Incipient Re-Entry Default. A "Notice of Incipient Re-Entry Default" is defined in Section 22.2.3.

Off-Site Truck Staging Area. The term "Off-Site Truck Staging Area" is defined in Section 8.3.2

Operations Consultant. The term "Operations Consultant" is defined in Section 8.6.1.

Operator. The term "Operator" is defined in Section 8.6.1.

Other Agreement. The term "Other Agreement" is defined in Section 4.3.

Parking Structure. The term "Parking Structure" is defined in Section 1.2.

Parking Structure Design Development Documents. The term "Parking Structure Design Development Documents" is defined in Section 5.4.1.

Partial Taking. An "Partial Taking" means any Taking other than a Total Taking.

Permitted Hi-Capacity LACC Events. The term "Permitted Hi-Capacity LACC Events" is defined in Section 8.3.1.

Permitted LACC Events. The term "Permitted LACC Events" is defined in Section 8.3.1.

Person. A "Person" means any individual, corporation, partnership, joint venture, limited liability company, association, joint stock company, trust or unincorporated organization, Landlord and Tenant.

Premises. The term "Premises" is defined in Section 1.1.

Primary Term. The term "Primary Term" is defined in Section 4.1.3.

Primary Term Commencement Date. The term "Primary Term Commencement Date" is defined in Section 4.3.

Prime Rate. The "Prime Rate" means the prime rate or equivalent "base" or "reference" rate for corporate loans that, at Tenant's election, by Notice to Landlord, is (a) published from time to time in the Wall Street Journal, (b) announced from time to time by Bank of America National Trust and Savings Association, N.A., Los Angeles, California, or any other large United States "money center" commercial bank designated by Tenant, or (c) if such rate is no longer so published or announced, then a reasonably equivalent rate published by an authoritative third party designated by Tenant. Notwithstanding anything to the contrary in this paragraph, the Prime Rate shall never exceed the highest rate of interest legally permitted to be charged in transactions of the character of this Lease between parties of a character similar to Landlord and Tenant.

Prohibited Liens. A "Prohibited Lien" means any mechanic's, vendor's, laborer's or material supplier's statutory lien or other similar lien arising by reason of work, labor, services, equipment or materials supplied, or claimed to have been supplied, to Tenant, which lien either (a) is filed against the Fee Estate or (b) is filed against the Leasehold Estate and, upon termination of this Lease, would under the law of the State attach to the Fee Estate. Notwithstanding anything to the contrary in this Lease, an Equipment Lien shall not constitute a Prohibited Lien and nothing in this Lease shall prohibit Tenant from creating, or require Tenant to remove, any Equipment Lien.

Private Project. The term "Private Project" is defined in the Implementation Agreement.

Project. The term "Project" is defined in Section 1.2.

Public Project. The term "Public Project" is defined in the Implementation Agreement.

Proprietary Capacity. The term "Proprietary Capacity" is defined in Section 42.1.

Qualified Leasehold Mortgagee. A "Qualified Leasehold Mortgagee" means a Leasehold Mortgagee meeting the following criteria and accordingly entitled to the Leasehold Mortgagee protections provided by this Lease:

(a) For an Institutional Lender, the criteria set forth in Section 20.4.2 (including Landlord approval, if required thereby); or

(b) For a Non-Institutional Lender, the criteria set forth in Section 20.4.3 (including Landlord approval, if required thereby).

Re-Entry Default. The term "Re-Entry Default" means as (1) the failure to Commence Construction of the Project when required pursuant to the Commencement Obligation, (2) the failure to Complete the Project when required pursuant to the Completion Obligation, (3) the Abandonment of the Parking Structure, or (4) if (except in the case of a bona fide dispute) following the expiration of the applicable notice and cure period, any unpaid installment of Fixed Rent under this Lease or any uncured monetary default under the Gap Funding Agreement or the Security Agreement (individually or in the aggregate) exceeds the total undrawn balance of all letters of credit then held by the City as security for Tenant's obligations under this Lease and all of the Other Agreements; as they are described more particularly in Section 33.1.4.

Reciprocal Easement Agreement. The term "Reciprocal Easement Agreement" means that certain agreement captioned "AMENDED AND RESTATED MASTER RECIPROCAL EASEMENT AGREEMENT," by and among Landlord, Tenant, L.A. Event Center, LLC, a Delaware limited liability company, and L.A. Arena Land Company, LLC, a Delaware limited liability company, made as of the Effective Date of this Lease, a copy of which was recorded in the Official Records of Los Angeles County, California of even date with the recordation of the Memorandum of Lease for this Lease.

Release. The term "Release" is defined in Section 11.3.9.6.

Remediate or Remediation. The term "Remediate" or "Remediation" is defined in Section 11.3.9.7.

Rent. The term "Rent" means Fixed Rent and Additional Rent.

Rent Commencement Date. The term "Rent Commencement Date" is defined in Section 6.5.

Requesting Party. The term "Requesting Party" is defined in Section 40.1.

Security Agreement. The term "Security Agreement" means that certain agreement captioned "NEW HALL AND EVENT CENTER SECURITY AGREEMENT" by and among Landlord, Tenant, L.A. Event Center, LLC, a Delaware limited liability company, and GFA Co-Obligor, made as of the Effective Date of this Lease.

Shared Parking Plan. The term "Shared Parking Plan" is defined in Section 8.3.

Staples Center Arena. The term "Staples Center Arena" means that arena located at the corner of Figueroa Boulevard and Chick Hearn Court in the LA Live Project.

State. The term "State" means the State of California.

Stop Notice. The term "Stop Notice" means any statutorily permitted notice to a lender to withhold disbursement of funds due to Tenant's alleged failure to pay a contractor, supplier or other party entitled to transmit such notice.

Sublease. The term "Sublease" means any sublease of the Premises or any part of the Premises, or any other agreement or arrangement (including a license agreement, concession agreement or other similar arrangement, or any arrangements described in Section 19.2.1 of this Lease) made by Tenant granting any third party the right to occupy, use or possess any portion of the Premises. The term "Sublease" includes a "Management Agreement," a "Signage Agreement," a "Naming Rights Agreement" or any similar agreements and any concessionaire, license agreements or other similar arrangements that Tenant elects to treat as Subleases.

Subtenant. The term "Subtenant" means any person having rights of occupancy, use or possession under a Sublease, including a manager under a "Management Agreement", a signage party under a "Signage Agreement," a naming party under a "Naming Rights Agreement," any person described as a "Subtenant" in Section 19.2.1 of this Lease, and any concessionaires, licensees or other similar parties that Tenant elects to treat as Subtenants.

Taking. A "Taking" means any taking of the Premises or any part of the Premises by condemnation or by exercise of any right of eminent domain or threat thereof, or by any similar proceeding or act of any Government Agency.

Temporary Taking. A "Temporary Taking" means a Taking relating to the temporary right to use or occupy the Premises or any part of the Premises.

Tenant. The term "Tenant" means L.A. Parking Structures LLC, and its successors and permitted assigns.

Tenant-Approved Title Condition. The term "Tenant-Approved Title Conditions" means those title exceptions enumerated on Exhibit J attached to this Lease.

Tenant Default. The term "Tenant Default" is defined in Section 33.1.

Tenant-Related Event. The term "Tenant-Related Event" is defined in Section 8.3.1.

Tenant's Cure Period Expiration Notice. The term "Tenant's Cure Period Expiration Notice" is defined in Section 22.2.2.

Term. "Term" is defined in Section 4.1.

Termination Date. The "Termination Date" means the date when this Lease terminates or expires, pursuant to its terms or pursuant to Landlord's exercise of its remedies hereunder.

Third Party. The term "Third Party" is defined in Section 40.1.

Total Taking. A "Total Taking" means (a) any Taking of ten percent (10%) or more of the Premises, or (b) any Taking of any material portion of Tenant's access to the Premises, which would, in any such case, in Tenant's reasonable judgment, materially impair Tenant's ability to operate its business in the Premises. Tenant may waive its right to treat as a Total Taking any Taking that would otherwise qualify as such.

Truck Staging Criteria. The term "Truck Staging Criteria" is defined in Section 8.3.2.

Violation. The term "Violation" is defined in Section 11.3.5.

Waiver of Subrogation. A "Waiver of Subrogation" means a provision in, or endorsement to, any insurance policy required by this Lease, by which the insurance carrier agrees to waive all rights of recovery by way of subrogation against either party to this Lease in connection with any loss covered by such insurance policy.

West Hall. The term "West Hall" is defined in the Implementation Agreement.

EXHIBIT C: LIST OF APPROVED SCHEMATICS

Those certain schematic drawings prepared by HNA/Pacific dated May 18, 2012, which consists of the drawings set forth on the list attached hereto.

LIST OF SCHEMATIC DRAWINGS - BOND STREET GARAGE

SUPPLEMENTAL DESIGN

GENERAL SHEETS

X-A-0.0 COVER SHEET

X-T-1 SHEET INDEX AND CAR COUNT & AREA SUMMARY

ARCHITECTURAL SHEETS

X-A-1.1 PARKING STRUCTURE PLOT PLAN

X-A-2.1 LEVEL P-1 AND LEVEL P-2 FLOOR PLANS

X-A-2.2 LEVEL P-3 AND LEVEL P-4 FLOOR PLANS

X-A-2.3 LEVEL P-5 AND LEVEL P-6 FLOOR PLANS

X-A-2.4 LEVEL P-7 FLOOR PLAN AND FUTURE POTENTIAL PV ARRAY PLAN

X-A-3.1 EXTERIOR BUILDING PERSPECTIVES

X-A-3.2 EXTERIOR BUILDING PERSPECTIVES

X-A-4.1 EXTERIOR BUILDING ELEVATIONS

X-A-5.1 LONGITUDINAL BUILDING SECTIONS

X-A-5.2 TRANSVERSE BUILDING SECTIONS

SCHEMATIC DESIGN

LANDSCAPE SHEETS

L100 HARDSCAPE PLAN

L300 PLANTING PLAN

PLUMBING SHEETS

P0.0 PLUMBING LEAD SHEET AND FIXTURE SCHEDULE

P2.1 LEVEL P-1 AND LEVEL P-2 PLUMBING PLANS

P2.2 LEVEL P-3 AND LEVEL P-4 PLUMBING PLANS

P2.3 LEVEL P-5 AND LEVEL P-6 PLUMBING PLANS

P2.4 LEVEL P-7 PLUMBING PLANS

ELECTRICAL SHEETS

E0.1 ELECTRICAL SINGLE LINE DIAGRAM

E2.1 LEVEL P-1 AND LEVEL P-2 ELECTRICAL PLANS

E2.2 LEVEL P-5 AND LEVEL P-6 ELECTRICAL PLANS

E2.3 LEVEL P-7 AND FUTURE POTENTIAL PV ARRAY PLAN ELECTRICAL

PREVIOUS DOCUMENTS

GENERAL SHEETS

A0.0 COVER SHEET

T-1 SHEET INDEX

T-2 PROJECT DATA, SPECIFIC NOTES & SUPPLEMENTAL NOTES

T-3 SITE PLAN CONDITIONS OF APPROVAL

CIVIL SHEETS (ON SITE)

C0.01 TITLE SHEET

C1.00 SURVEY (FOR REFERENCE ONLY)

C1.10 EROSION CONTROL PLAN (SWPPP)

C1.20 DEMOLITION PLAN

C1.30 GRADING PLAN AND DRAINAGE PLAN

C1.31 ROUGH GRADING PLAN

C1.40 HORIZONTAL CONTROL and PAVING PLAN

C1.50 UTILITY PLAN

C1.70 SUSMP PRELIMINARY STUDY
 C5.01 DETAILS
 CIVIL SHEETS (OFF SITE)
 1 NOTES AND KEY MAP - PHASE I
 2 BOND STREET PLAN AND PROFILE - PHASE I
 3 BOND STREET PLAN AND PROFILE - PHASE I
 1 NOTES AND KEY MAP - PHASE II
 2 CHERRY STREET & PICO BLVD. PLAN AND PROFILE - PHASE II
 ARCHITECTURAL SHEETS
 A-0.1 EXISTING PLANS & VENTILATION SUMMARY
 A-0.2 CAR COUNT & AREA SUMMARY
 A-0.3 CAR COUNT MODELS
 A-0.4 VEHICLE CIRCULATION DIAGRAMS
 A-0.5 SYMBOLS KEY, MATERIALS KEY & ABBREVIATIONS
 A-0.6 DISABLED ACCESS NOTES
 A-0.7 DISABLED ACCESS NOTES
 A-1.1 PARKING STRUCTURE PLOT PLAN
 A-1.2 PARKING STRUCTURE SITE PLAN
 A-1.3 PARKING STRUCTURE TRUCK STUDY
 A-2.1 LEVEL 1 STRIPING PLAN
 A-2.2 LEVEL 2 STRIPING PLAN
 A-2.3 LEVEL 3 STRIPING PLAN
 A-2.4 LEVEL 4 STRIPING PLAN
 A-2.5 LEVEL 5 STRIPING PLAN
 A-2.6 LEVEL 6 STRIPING PLAN
 A-2.7 LEVEL 7 STRIPING PLAN
 A-3.1 LEVEL 1 FLOOR PLAN
 A-3.2 LEVEL 2 FLOOR PLAN
 A-3.3 LEVEL 3 FLOOR PLAN
 A-3.4 LEVEL 4 FLOOR PLAN
 A-3.5 LEVEL 5 FLOOR PLAN
 A-3.6 LEVEL 6 FLOOR PLAN
 A-3.7 LEVEL 7 FLOOR PLAN
 A-4.1 EAST BUILDING ELEVATIONS
 A-4.2 WEST BUILDING ELEVATIONS
 A-4.3 NORTH BUILDING ELEVATIONS
 A-4.4 SOUTH BUILDING ELEVATIONS
 A-5.1 LONGITUDINAL BUILDING SECTIONS
 A-5.2 TRANSVERSE BUILDING SECTIONS
 A-5.3 TRANSVERSE BUILDING SECTIONS
 A-6.1 TYPICAL SECTION DETAILS
 A-6.1.1 TYPICAL SECTION DETAILS
 A-6.2 WALL SECTIONS
 A-6.3 WALL SECTIONS
 A-6.4 WALL SECTIONS
 A-6.5 WALL SECTIONS
 A-7.1 ELEVATOR NO.1 & NO.2 ENLARGED PLANS

A-7.2 STAIR NO.1 ENLARGED PLANS
 A-7.3 STAIR NO.2 ENLARGED PLANS
 A-7.4 MISCELLANEOUS ENLARGED PLANS
 A-7.5 ELEVATOR HOISTWAY SECTIONS
 A-7.6 STAIR SECTIONS
 A-8.1 TYPICAL STAIR DETAILS
 A-8.2 TYPICAL STAIR DETAILS
 A-8.3 TYPICAL DETAILS
 A-8.4 BARRIER CABLES & TYPICAL JOINT DETAILS
 A-8.5 TYPICAL HOISTWAY DETAILS
 A-8.5.1 TYPICAL HOISTWAY DETAILS
 A-8.6 DOOR SCHEDULE & DOOR DETAILS
 A-9.1 TYPICAL SIGNAGE DETAILS
 A-10.1 TYPICAL SIGNAGE DETAILS
 A-11.1 FAÇADE PERSPECTIVES
 A-11.2 FAÇADE PERSPECTIVES
 A-11.3 ENLARGED ELEVATIONS
 A-11.4 ENLARGED ELEVATIONS
 A-11.5 ENLARGED ELEVATIONS
 A-11.6 SECURITY GRILL DETAILS
 A-11.7 SECURITY GRILL DETAILS
 STRUCTURAL SHEETS
 S1.0 GENERAL NOTES, ABBREVIATIONS, AND SHEET INDEX
 S1.1 SOILS SUPPORT APPROVAL LETTER
 S2.1 LEVEL P-1 PLAN
 S2.2 LEVEL P-2 PLAN
 S2.3 LEVEL P-3 PLAN
 S2.4 LEVEL P-4 PLAN
 S2.5 LEVEL P-5 PLAN
 S2.6 LEVEL P-6 PLAN
 S2.7 LEVEL P-7 PLAN
 S2.10 PARTIAL PLANS AT ELEVATOR
 S3.1 COLUMN SCHEDULE AND DETAILS
 S3.2 FRAME BEAM ELEVATIONS
 S3.3 EXTERIOR WALL ELEVATIONS
 S4.1 TYPICAL CONCRETE DETAILS
 S4.2 TYPICAL CONCRETE DETAILS
 S4.3 TYPICAL SLAB REINFORCING & DETAILS
 S4.4 ALTERNATE BEAM TIES, SLAB REINFORCING & DETAILS
 S4.5 TYPICAL MASONRY DETAILS
 S4.6 CONCRETE & MASONRY DETAILS
 S4.10 BEAM ELEVATIONS

EXHIBIT D: FORM OF NONDISTURBANCE AND ATTORNMENT AGREEMENT

THIS NON-DISTURBANCE AND ATTORNMENT AGREEMENT ("Agreement") is made and entered into as of _____, _____, by and among The City of Los Angeles, a municipal corporation ("Landlord"), and _____, a _____ ("Subtenant").

Recitals

A. Landlord, as landlord, and L.A. Parking Structures, LLC, a Delaware limited liability company, as tenant ("Tenant"), entered into that certain Ground Lease dated as of _____ (the "Ground Lease"), pursuant to which Landlord leased to Tenant that certain property more particularly described in Exhibit A attached hereto and by this reference incorporated herein (the "Premises").

B. Capitalized terms herein not otherwise defined herein are used as defined in the Ground Lease.

C. Tenant and Subtenant have entered into that certain Sublease dated as of _____ attached hereto as Exhibit B (the "Sublease"), pursuant to which Tenant has granted to Subtenant the right to use, occupy or possess the portion of the Premises described therein (such portion of the Premises, the "Subpremises"), on the terms and conditions set forth therein.

D. Landlord and Subtenant desire to confirm their understanding with respect to the Lease and the Sublease.

Agreement

1. Nondisturbance. Landlord agrees that if, by reason of the exercise of any remedy under the Ground Lease or by operation of law, the Leasehold Estate of Tenant in the Subpremises is terminated, or the interest of Tenant in the Subpremises is transferred to Landlord, or Landlord succeeds to the interest of the lessor under the Sublease, then, so long as no default of Subtenant has occurred pursuant to the Sublease which has not been subsequently cured within applicable notice and cure periods, Subtenant's use, possession and enjoyment of the Subpremises shall not be interfered with or disturbed by Landlord during the term of the Sublease or any extension thereof duly exercised by Subtenant, Landlord shall recognize Subtenant as Landlord's direct tenant under the Sublease, and Landlord shall be bound to Subtenant under all of the terms, covenants and conditions of the Sublease for the balance of the remaining term thereof and any extension thereof duly exercised by Subtenant with the same force and effect as if Landlord were the original lessor under the Sublease.

2. Attornment. Subtenant agrees that if, by reason of the exercise of any remedy under the Ground Lease, the Leasehold Estate of Tenant in the Subpremises is terminated, or the interest of Tenant in the Subpremises is transferred to Landlord, or Landlord succeeds to the interest of the lessor under the Sublease, then Subtenant shall attorn to Landlord and shall

recognize Landlord as Subtenant's direct landlord under the Sublease, and Subtenant shall be bound to Landlord under all of the terms, covenants and conditions of the Sublease for the balance of the remaining term thereof and any extension thereof duly exercised by Subtenant with the same force and effect as if Landlord were the original lessor under the Sublease.

3. Terms of Sublease Upon Recognition and Attornment. Upon Landlord's recognition of Subtenant pursuant to Section 1 hereof and Subtenant's attornment to Landlord pursuant to Section 2 hereof, the terms of the Sublease setting forth the direct landlord-tenant relationship between Landlord and Subtenant shall be the terms and conditions set forth in the Ground Lease, except as to term and fixed rent, which shall be as set forth in Sections ____ of the Sublease **[identify sections of sublease regarding term and rent]**. For the remainder of the term of the Sublease, Landlord shall have all of the rights, and all of the obligations, of Landlord under the Ground Lease, and Subtenant shall have all of the rights, and all of the obligations, of Tenant under the Ground Lease, as modified by the preceding sentence. Notwithstanding the foregoing, (a) Landlord shall not be bound by any amendment to Sections ____ of the Sublease **[identify sections of sublease regarding term and rent]** made by Sublandlord and Subtenant without Landlord's written consent prior to such recognition and attornment, and (b) Landlord shall not be liable to Subtenant for any monetary or non-monetary default of Sublandlord under the Sublease which occurs, or for any performance of Sublandlord under the Sublease which is required to be performed, relating to the period prior to such recognition and attornment. If the Leasehold Estate of Tenant in the Premises is terminated because of the occurrence of a Re-Entry Default, this Agreement shall terminate effective upon the date of such Re-Entry Default termination.

4. Covenants Self-Executing; Further Assurances. The covenants of Landlord in Sections 1 and 3 hereof and the covenants of Subtenant in Sections 2 and 3 hereof shall be effective and self-operative without the execution of any further instruments on the part of either party hereto; provided, however, that Subtenant shall be under no obligation to pay Rent (as defined in the Sublease) to Landlord until Subtenant receives written notice from Landlord that it has succeeded to the interest of lessor under the Sublease. Notwithstanding the foregoing, each of Landlord and Subtenant agrees to execute and deliver, at any time and from time to time, upon the request of the other party, any instrument that may be necessary or appropriate to evidence the agreements set forth herein.

5. Right to Perform Obligations Prior to Recognition and Attornment. Prior to Landlord's recognition of Subtenant pursuant to Section 1 hereof and Subtenant's attornment to Landlord pursuant to Section 2 hereof, Subtenant shall have the right, but not the obligation, to perform any obligation of Tenant under the Ground Lease. Landlord shall accept performance by or at the instigation of Subtenant in fulfillment of Tenant's obligations within the times specified for performance by Tenant in the Ground Lease, for the account of Tenant and with the same force and effect as if performed by Tenant. Without limiting the generality of the foregoing, Landlord shall accept performance by or at the instigation of Subtenant of any obligation of Tenant necessary to prevent any Incipient Re-Entry Default from becoming a Re-Entry Default.

6. Subtenant's Right to Cure Prior to Recognition and Attornment. Prior to Landlord's recognition of Subtenant pursuant to Section 1 hereof and Subtenant's attornment to Landlord pursuant to Section 2 hereof, Subtenant shall have the right, but not the obligation, to cure any Tenant Default. Upon receiving any Notice of Default or any Notice of Incipient Re-Entry Default, Subtenant shall have the original cure period granted to Tenant under the Ground Lease (if any), within which to take (if Subtenant so elects) whatever action may be required to cure the Tenant Default described in such Notice of Default or the Re-Entry Default specified in such Notice of Incipient Re-Entry Default, as the case may be. If and when all Tenant Defaults have been cured by Subtenant within the time period granted to Tenant under the Ground Lease, the Ground Lease shall continue in full force and effect as if no Tenant Default(s) had occurred.

7. Modification. This Agreement may not be modified orally or in any other manner than by an agreement in writing signed by the parties hereto or their respective successors or assigns. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

8. Counterparts. This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement binding on the parties hereto, notwithstanding that all parties are not signatories to the original or the same counterpart.

9. Notices. All notices or other communications required or permitted to be given pursuant to this Agreement shall be in writing and shall be considered as properly given if mailed by first class United States mail, postage prepaid, registered or certified with return receipt requested or overnight delivery service, or by delivering same in person to the intended addressee. Notice so given in person or by mail or overnight delivery shall be effective upon its receipt or refusal of receipt. For purposes of notice the addresses of the parties shall be the addressee set forth on the signature page hereof; provided, however, that any party shall have the right to change its address for notice hereunder by the giving notice to the other parties in the manner set forth hereinabove. In addition, if Landlord shall give any Notice to Tenant (including without limitation any Notice of Default, any Notice of Incipient Re-Entry Default or any Tenant's Cure Period Expiration Notice) then Landlord shall at the same time and by the same means give a copy of such Notice to Subtenant. Landlord's failure to give any Notice to Subtenant shall not invalidate the Notice provided to Tenant. Notwithstanding any other provision in the Ground Lease or this Agreement to the contrary, however, as between Landlord and Subtenant, no time period applicable to Subtenant shall start to run, and no termination as to which Notice from Landlord to Subtenant is required under this Agreement shall occur, unless and until Landlord shall have give the appropriate Notice to Subtenant and the applicable cure periods shall have run.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

"Landlord"

"Subtenant"

By: _____ By: _____

Its: _____ Its: _____

Address: Address:

[Attach notary pages]

[Attach legal description]

EXHIBIT E: INTENTIONALLY OMITTED

EXHIBIT F: INTENTIONALLY OMITTED

EXHIBIT G: FORM OF MEMORANDUM OF LEASE

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Attention: _____

(Space Above For Recorder's Use)

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE ("**Memorandum**") is made as of _____, 20__, by and between The City of Los Angeles, a municipal corporation ("**Landlord**") and L.A. Parking Structures, LLC, a Delaware limited liability company ("**Tenant**"). Pursuant to that certain Ground Lease by and between Landlord and Tenant dated _____, 20__ (the "**Lease**"), subject to and in accordance with the terms of such Lease, Landlord leases to Tenant that certain premises (the "**Premises**"), comprised of that certain real property located immediately south of Pico Boulevard and west of Cherry Street in the City of Los Angeles, California, as more particularly described in Exhibit A, together with: (a) all buildings, structures and other improvements, if any, presently located on such land; and (b) the appurtenances of Landlord and all the estate and rights of Landlord in and to such land.

A. *Term.* The Term of the Lease is co-terminus with the term of the "Event Center Ground Lease" (as defined in the Lease), as the same may be extended or renewed.

B. *New Lease.* The Lease requires Landlord to enter into a New Lease, on the same terms as the Lease, with a Qualified Leasehold Mortgagee under circumstances set forth in the Lease. Any such New Lease shall have the same priority as the Lease and shall not be subject to any intervening liens or encumbrances first recorded after this Memorandum of Lease.

C. *Fee Mortgages.* The Lease prohibits subordination of Landlord's Fee Estate to any leasehold mortgage, imposes certain restrictions on Landlord's right to transfer Landlord's Fee Estate, and prohibits Landlord from granting any mortgages encumbering Landlord's Fee Estate.

D. *Leasehold Mortgages.* The Lease imposes certain restrictions on Tenant's right to collaterally assign or transfer Tenant's leasehold estate and requires that certain leasehold mortgages contain certain provisions as more fully set forth therein.

E. *Leasehold Mortgagee Rights in Bankruptcy.* The Lease provides that if the Lease is rejected in a bankruptcy proceeding affecting Landlord: (a) Tenant may not elect to treat the Lease as terminated without the concurrence of all Leasehold Mortgagees whose recorded

Leasehold Mortgages provide that such election requires the Leasehold Mortgagee's consent; and (b) all Leasehold Mortgage liens encumbering the Leasehold Estate before the rejection of the Lease shall remain in full force and effect as to Tenant's continuing possessory rights with respect to the Premises following the rejection, with the same priority as existed before rejection of the Lease.

F. *Conflict.* In the event of any inconsistency between the terms of this Memorandum and the terms of the Lease, the Lease shall control.

"LANDLORD"

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

APPROVED AS TO FORM:
CARMEN A. TRUTANICH, City Attorney

By: _____
Name: _____
Title: _____

By: _____
Senior Assistant
City Attorney

DATE: _____

ATTEST:
City Clerk

By: _____
Deputy

DATE: _____

"TENANT"

L.A. PARKING STRUCTURES, LLC, a
Delaware limited liability company

By: _____
Name: _____
Title: _____

LANDLORD'S ACKNOWLEDEMENT

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES } S.S.

On _____, before me, _____, a Notary Public in and for said County and State, personally appeared, _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

(Notary Seal)

TENANT'S ACKNOWLEDEMENT

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES } S.S.

On _____, before me, _____, a Notary Public in and for said County and State, personally appeared, _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

(Notary Seal)

EXHIBIT A
LEGAL DESCRIPTION

[to be attached]

EXHIBIT H: FORM OF ESTOPPEL CERTIFICATE

ESTOPPEL CERTIFICATE

TO: [Name(s) of Requesting Party or Third Party(ies)]

DATE: []

RE: Ground Lease (the "Lease") dated [] by and between The City of Los Angeles and [], a Memorandum of which was recorded at Book [] , Page [] in the Official Records of Los Angeles County, State of California.

At the request of _____ ("Requesting Party"), the undersigned ("Certifying Party") certifies that as of the date of this Estoppel Certificate each of the following statements is true with respect to the Lease (all of whose definitions shall apply here), except to the extent, if any, that Certifying Party has identified any exceptions to any such statement in the space following such statement. The Lease affects all that certain real property more particularly described in Schedule A attached hereto.

[NOTE: A FAILURE TO RESPOND TIMELY TO THIS ESTOPPEL CERTIFICATE REQUEST COULD RESULT IN A DEEMED CONFIRMATION OF THE ACCURACY OF THE MATTERS SET FORTH HEREIN.]

1. *Certifying Party; Estate in Premises.* Certifying Party is [Landlord or Tenant, as applicable] under the Lease and has not assigned the [Fee Estate or Leasehold Estate, as applicable] or any right, title or interest therein. **The only exceptions to this statement are as follows (describe in reasonable detail, including date, parties, and nature of interest transferred):**

2. *No Change in Lease.* The Lease, dated the Effective Date, has not been amended, modified, surrendered, cancelled or terminated (whether in writing or pursuant to a purported oral amendment, modification, surrender, cancellation or termination) and is in full force and effect. **The only exceptions to this statement are as follows (identify date of each amendment):**

3. *Dates.* [Commencement of Construction occurred on _____.]
Completion of Construction occurred on _____. The Rent Commencement Date occurred on _____.

4. *Term.* The Term will expire on [_____].

5. *No Uncured Defaults.* Certifying Party has not delivered to Requesting Party or any Qualified Leasehold Mortgagee any Notice of Default (other than as to Tenant Defaults or Landlord Defaults that have been cured). To the best of Certifying Party's knowledge, no

uncured Tenant Default or Landlord Default currently exists. To the best of Certifying Party's knowledge, no facts or circumstances exist that, with the passage of time or the giving of notice, would constitute one or more Tenant Default(s) or Landlord Default(s). To the best of Certifying Party's knowledge, Certifying Party is presently entitled to claim no offset against its obligations under the Lease. **The only exceptions to these statements are as follows:**

6. *Payment of Rent.* To the best of Certifying Party's knowledge, Tenant has made all payments of Rent required to have been made through the date of this Estoppel Certificate. **The only exceptions to this statement are as follows:**

7. *No Termination of Lease.* Certifying Party has not commenced any pending action or sent any presently effective Notice to Requesting Party (or received any presently effective Notice from Requesting Party) for the purpose of terminating the Lease. **The only exceptions to this statement are as follows:**

8. *No Certifying Party Bankruptcy.* There are no actions, whether voluntary or otherwise, pending against Certifying Party under the Bankruptcy Laws of the United States. **The only exceptions to this statement are as follows:**

9. *[Landlord: Leasehold Mortgages.* Landlord has, to the best of its knowledge, received Notice of each of the following presently effective Leasehold Mortgages encumbering Tenant's Leasehold Estate. Except as set forth below, each such Leasehold Mortgage is a Qualified Leasehold Mortgagee as defined in the Lease, entitled to the applicable Qualified Leasehold Mortgagee protections under the Lease. **[List Leasehold Mortgages, other than terminated Leasehold Mortgages, including date, holder and amount secured (if known), and any exceptions to the foregoing statements regarding Leasehold Mortgages:]]**

[Tenant: Leasehold Mortgages. Tenant has entered into the following Leasehold Mortgages. Except as set forth below, all Leasehold Mortgagees making such Leasehold Mortgages have, to the best of Tenant's knowledge, been acknowledged by Landlord to be Qualified Leasehold Mortgagees, entitled to the applicable Qualified Leasehold Mortgagee protections under the Lease: **[List Leasehold Mortgages, other than terminated Leasehold Mortgages, including date, holder and amount secured (if known), and any exceptions to the foregoing statements regarding Leasehold Mortgagees:]]**

10. *Landlord's Representative.* The name and address of Landlord's Representative is as follows:

11. *Tenant's Representative.* The name and address of Tenant's Representative is as follows:

12. *Reliance.* This Estoppel Certificate may be relied upon by the Person(s) to whom it is directed, Requesting Party, any Leasehold Mortgagee, any permitted assignee of the Leasehold Estate, and any title insurance company.

[Certifying Party]

By: _____
Its: _____

Attachments:

Acknowledgments
Schedule A = Survey Description

[Suitable acknowledgment for Certifying Party.]

EXHIBIT I-1: NON-DISCRIMINATION

See attached.

Sec. 10.8. Mandatory Provisions Pertaining to Non-discrimination in Employment in the Performance of City Contracts.

The City of Los Angeles, in letting and awarding contracts for the provision to it or on its behalf of goods or services of any kind or nature, intends to deal only with those contractors that comply with the non-discrimination and Affirmative Action provisions of the laws of the United States of America, the State of California and the City of Los Angeles. The City and each of its awarding authorities, shall therefore require that any person, firm, corporation, partnership or combination thereof, that contracts with the City for services, materials or supplies, shall not discriminate in any of its hiring or employment practices, shall comply with all provisions pertaining to nondiscrimination in hiring and employment, and shall require Affirmative Action Programs in contracts in accordance with the provisions of this Code. The awarding authority and/or Office of Contract Compliance of the Department of Public Works shall monitor and inspect the activities of each such contractor to determine that they are in compliance with the provisions of this chapter.

Although in accordance with Section 22.359 of this Code, the Board of Public Works, Office of Contract Compliance, is responsible for the administration of the City's Contract Compliance Program, accomplishing the intent of the City in contract compliance and achieving nondiscrimination in contractor employment shall be the continuing responsibility of each awarding authority. Each awarding authority shall use only the rules, regulations and forms provided by the Office of Contract Compliance to monitor, inspect or investigate contractor compliance with the provisions of this chapter.

Each awarding authority shall provide immediate notification upon award of each contract by that awarding authority to the Office of Contract Compliance. Each awarding authority shall call upon the Office of Contract Compliance to review, evaluate and recommend on any contractual dispute or issue of noncompliance under the provisions of this chapter. The Office of Contract Compliance shall be notified by each awarding authority of any imminent announcement to bid, to allow the Office of Contract Compliance the opportunity to participate with the awarding authority in the monitoring, review, evaluation, investigation, audit and enforcement of the provisions of this chapter in accordance with the rules, regulations and forms promulgated to implement the City's Contract Compliance, Equal Employment Opportunity Program.

SECTION HISTORY

Based on Ord. No. 132,533, Eff. 7-25-66.

Amended by: Ord. No. 147,030, Eff. 4-28-75; Ord. No. 173,186, Eff. 5-22-00.

Sec. 10.8.1. Definitions.

The following definitions shall apply to the following terms used in this article:

"Awarding Authority" means any Board or Commission of the City of Los Angeles, or any authorized employee or officer of the City of Los Angeles, including the Purchasing Agent of the City of Los Angeles, who makes or enters into any contract or agreement for the provision of any goods or services of any kind or nature whatsoever for or on behalf of the City of Los Angeles.

"Contract" means any agreement, franchise, lease, or concession, including

agreements for any occasional professional or technical personal services, for the performance of any work or service, the provision of any materials or supplies, or the rendition of any service to the City of Los Angeles or to the public, which is let, awarded or entered into with, or on behalf of, the City of Los Angeles or any awarding authority thereof.

"Contractor" means any person, firm, corporation, partnership, or any combination thereof, who submits a bid or proposal or enters into a contract with any awarding authority of the City of Los Angeles.

"Domestic partners" means, for purposes of this Article, any two adults, of the same or different sex, who have registered with a governmental entity pursuant to state or local law authorizing this registration or with a internal registry maintained by an employer of at least one of the domestic partners.

"Employment Practices" means any solicitation of, or advertisement for, employees, employment, change in grade or work assignment, assignment or change in place or location of work, layoff, suspension, or termination of employees, rate of pay or other form of compensation including vacation, sick and compensatory time, selection for training, including apprenticeship programs, any and all employee benefits and activities, promotion and upgrading, and any and all actions taken to discipline employees for infractions of work rules or employer requirements.

"Office of Contract Compliance" is that office of the Department of Public Works of the City of Los Angeles created by Article X of Chapter 13 of Division 22 of the Los Angeles Administrative Code.

"Subcontractor" means any person, firm or corporation or partnership, or any combination thereof who enters into a contract with a contractor to perform or provide a portion or part of any contract with the City.

SECTION HISTORY

Amended by: Ord. No. 147,030, Eff. 4-28-75; "Affirmative Action," Ord. No. 164,516, Eff. 4-13-89; "Affirmative Action," Ord. No. 168,244, Eff. 10-18-92; "Domestic partners" added, Ord. No. 172,909, Eff. 1-9-00; first two definitions deleted, Ord. No. 173,186, Eff. 5-22-00; "Domestic partners," Ord. No. 175,115, Eff. 4-12-03.

Sec. 10.8.1.1. Summary of Thresholds.

The following thresholds will be used to determine the non-discrimination and affirmative action requirements set forth in this chapter for each type of contract.

Non-discrimination Practices as outlined in Section 10.8.2 of this Code, apply to all contracts.

Equal Employment Practices as outlined in Section 10.8.3 of this Code, apply to all construction contracts of \$1,000 or more and all non-construction contracts of \$1,000 or more.

Affirmative Action Program as outlined in Sections 10.8.4 and 10.13 of this Code, applies to all Construction Contracts of \$5,000 or more and all non-Construction Contracts of \$100,000 or more.

SECTION HISTORY

Added by Ord. No. 173,186, Eff. 5-22-00.

Sec. 10.8.2. All Contracts: Non-discrimination Clause.

Notwithstanding any other provision of any ordinance of the City of Los Angeles to the contrary, every contract which is let, awarded or entered into with or on behalf of the City of Los Angeles, shall contain by insertion therein a provision obligating the contractor in the performance of such contract not to discriminate in his or her employment practices against any employee or applicant for employment because of the applicant's race, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status, domestic partner status, or medical condition. All contractors who enter into such contracts with the City shall include a like provision in all subcontracts awarded for work to be performed under the contract with the City. Failure of the contractor to comply with this requirement or to obtain the compliance of its subcontractors with such obligations shall subject the contractor to the imposition of any and all sanctions allowed by law, including but not limited to termination of the contractor's contract with the City.

SECTION HISTORY

Amended by: Ord. No. 147,030, Eff. 4-28-75; Ord. No. 164,516, Eff. 4-13-89; Ord. No. 168,244, Eff. 10-18-92; Title and Sec., Ord. No. 172,910, Eff. 1-9-00; Title and Section, Ord. No. 173,186, Eff. 5-22-00.

Sec. 10.8.2.1. Equal Benefits Ordinance.

(a) **Legislative Findings.** The City awards many contracts to private firms to provide services to the public and to City government. Many City contractors and subcontractors perform services that affect the proprietary interests of City government in that their performance impacts the success of City operations. The City holds a proprietary interest in the work performed by many employees employed by City contractors and subcontractors. In a very real sense, the success or failure of City operations may turn on the success or failure of these enterprises, for the City has a genuine stake in how the public perceives the services rendered for them by these businesses.

Discrimination in the provision of employee benefits between employees with domestic partners and employees with spouses results in unequal pay for equal work. Los Angeles law prohibits entities doing business with the City from discriminating in employment practices based on marital status and/or sexual orientation. The City's departments and contracting agents are required to place in all City contracts a provision that the company choosing to do business with the City agrees to comply with the City's nondiscrimination laws.

It is the City's intent, through the contracting practices outlined in this Ordinance, to assure that those companies wanting to do business with the City will equalize the total compensation between similarly situated employees with spouses and with domestic partners. The provisions of this Ordinance are designed to ensure that the City's contractors will maintain a competitive advantage in recruiting and retaining capable employees, thereby improving the quality of the goods and services the City and its people receive, and ensuring protection of the City's property.

(b) **Definitions.** For purposes of the Equal Benefits Ordinance only, the following

shall apply.

(1) **Awarding Authority** means any Board or Commission of the City, or any employee or officer of the City, that is authorized to award or enter into any Contract, as defined in this ordinance, on behalf of the City, and shall include departments having control of their own funds and which adopt policies consonant with the provisions of the Equal Benefits Ordinance.

(2) **Benefits** means any plan, program or policy provided or offered by a Contractor to its employees as part of the employer's total compensation package. This includes but is not limited to the following types of benefits: bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits, and travel benefits.

(3) **Cash Equivalent** means the amount of money paid to an employee with a Domestic Partner (or spouse, if applicable) in lieu of providing Benefits to the employee's Domestic Partner (or spouse, if applicable). The Cash Equivalent is equal to the direct expense to the employer of providing Benefits to an employee for his or her Domestic Partner (or spouse, if applicable) or the direct expense to the employer of providing Benefits for the dependents and family members of an employee with a Domestic Partner (or spouse, if applicable).

(4) **City** means the City of Los Angeles.

(5) **Contract** means an agreement the value of which exceeds \$5,000. It includes agreements for work or services to or for the City, for public works or improvements to be performed, agreements for the purchase of goods, equipment, materials, or supplies, or grants to be provided, at the expense of the City or to be paid out of monies under the control of the City. The term also includes a Lease or License, as defined in the Equal Benefits Ordinance.

(6) **Contractor** means any person or persons, firm, partnership, corporation, joint venture, or any combination of these, or any governmental entity acting in its proprietary capacity, that enters into a Contract with any Awarding Authority of the City. The term does not include Subcontractors.

(7) **Designated Administrative Agency (DAA)** means the Department of Public Works, Bureau of Contract Administration.

(8) **Domestic Partner** means any two adults, of the same or different sex, who have registered as domestic partners with a governmental entity pursuant to state or local law authorizing this registration or with an internal registry maintained by the employer of at least one of the domestic partners.

(9) **Equal Benefits Ordinance** means Los Angeles Administrative Code Section 10.8.2.1, *et seq.*, as amended from time to time.

(10) **Equal Benefits** means the equality of benefits between employees with spouses and employees with Domestic Partners, between spouses of employees and Domestic Partners of employees, and between dependents and family members of spouses and dependents and family members of Domestic Partners.

(11) **Lease or License** means any agreement allowing others to use property owned or controlled by the City, any agreement allowing others the use of City property in order to provide services to or for the City, such as for concession agreements, and any agreement allowing the City to use property owned or controlled by others.

(12) **Subcontractor** means any person or persons, firm, partnership, corporation, joint venture, or any combination of these, and any governmental entity, that assists the Contractor in performing or fulfilling the terms of the Contract. Subcontractors are not subject to the requirements of the Equal Benefits Ordinance unless they otherwise have a Contract directly with the City.

(c) **Equal Benefits Requirements.**

(1) No Awarding Authority of the City shall execute or amend any Contract with any Contractor that discriminates in the provision of Benefits between employees with spouses and employees with Domestic Partners, between spouses of employees and Domestic Partners of employees, and between dependents and family members of spouses and dependents and family members of Domestic Partners.

(2) A Contractor must permit access to, and upon request, must provide certified copies of all of its records pertaining to its Benefits policies and its employment policies and practices to the DAA, for the purpose of investigation or to ascertain compliance with the Equal Benefits Ordinance.

(3) A Contractor must post a copy of the following statement in conspicuous places at its place of business available to employees and applicants for employment: "During the performance of a Contract with the City of Los Angeles, the Contractor will provide equal benefits to its employees with spouses and its employees with domestic partners." The posted statement must also include a City contact telephone number which will be provided each Contractor when the Contract is executed.

(4) A Contractor must not set up or use its contracting entity for the purpose of evading the requirements imposed by the Equal Benefits Ordinance.

(d) **Other Options for Compliance.** Provided that the Contractor does not discriminate in the provision of Benefits, a Contractor may also comply with the Equal Benefits Ordinance in the following ways:

(1) A Contractor may provide an employee with the Cash Equivalent only if the DAA determines that either:

a. The Contractor has made a reasonable, yet unsuccessful effort to provide Equal Benefits; or

b. Under the circumstances, it would be unreasonable to require the Contractor to provide Benefits to the Domestic Partner (or spouse, if applicable).

(2) Allow each employee to designate a legally domiciled member of the employee's household as being eligible for spousal equivalent Benefits.

(3) Provide Benefits neither to employees' spouses nor to employees' Domestic Partners.

(e) Applicability.

(1) Unless otherwise exempt, a Contractor is subject to and shall comply with all applicable provisions of the Equal Benefits Ordinance.

(2) The requirements of the Equal Benefits Ordinance shall apply to a Contractor's operations as follows:

a. A Contractor's operations located within the City limits, regardless of whether there are employees at those locations performing work on the Contract.

b. A Contractor's operations on real property located outside of the City limits if the property is owned by the City or the City has a right to occupy the property, and if the Contractor's presence at or on that property is connected to a Contract with the City.

c. The Contractor's employees located elsewhere in the United States but outside of the City limits if those employees are performing work on the City Contract.

(3) The requirements of the Equal Benefits Ordinance do not apply to collective bargaining agreements ("CBA") in effect prior to January 1, 2000. The Contractor must agree to propose to its union that the requirements of the Equal Benefits Ordinance be incorporated into its CBA upon amendment, extension, or other modification of a CBA occurring after January 1, 2000.

(f) Mandatory Contract Provisions Pertaining to Equal Benefits. Unless otherwise exempted, every Contract shall contain language that obligates the Contractor to comply with the applicable provisions of the Equal Benefits Ordinance. The language shall include provisions for the following:

(1) During the performance of the Contract, the Contractor certifies and represents that the Contractor will comply with the Equal Benefits Ordinance.

(2) The failure of the Contractor to comply with the Equal Benefits Ordinance will be deemed to be a material breach of the Contract by the Awarding Authority.

(3) If the Contractor fails to comply with the Equal Benefits Ordinance the Awarding Authority may cancel, terminate or suspend the Contract, in whole or in part, and all monies due or to become due under the Contract may be retained by the City. The City may also pursue any and all other remedies at law or in equity for any breach.

(4) Failure to comply with the Equal Benefits Ordinance may be used as evidence against the Contractor in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40, *et seq.*, Contractor Responsibility Ordinance.

(5) If the DAA determines that a Contractor has set up or used its Contracting entity for the purpose of evading the intent of the Equal Benefits

Ordinance, the Awarding Authority may terminate the Contract on behalf of the City. Violation of this provision may be used as evidence against the Contractor in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40, *et seq.*, Contractor Responsibility Ordinance.

(g) **Administration.**

(1) The DAA is responsible for the enforcement of the Equal Benefits Ordinance for all City Contracts. Each Awarding Authority shall cooperate to the fullest extent with the DAA in its enforcement activities.

(2) In enforcing the requirements of the Equal Benefits Ordinance, the DAA may monitor, inspect, and investigate to insure that the Contractor is acting in compliance with the Equal Benefits Ordinance.

(3) The DAA shall promulgate rules and regulations and forms for the implementation of the Equal Benefits Ordinance. No other rules, regulations or forms may be used by an Awarding Authority of the City to accomplish this contract compliance program.

(h) **Enforcement.**

(1) If the Contractor fails to comply with the Equal Benefits Ordinance:

a. The failure to comply may be deemed to be a material breach of the Contract by the Awarding Authority; or

b. The Awarding Authority may cancel, terminate or suspend, in whole or in part, the contract; or

c. Monies due or to become due under the Contract may be retained by the City until compliance is achieved;

d. The City may also pursue any and all other remedies at law or in equity for any breach.

e. The City may use failure to comply with the Equal Benefits Ordinance as evidence against the Contractor in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40, *et seq.*, Contractor Responsibility Ordinance.

(i) **Non-applicability, Exceptions and Waivers.**

(1) Upon request of the Awarding Authority, the DAA may waive compliance with the Equal Benefits Ordinance under the following circumstances:

a. The Contract is for the use of City property, and there is only one prospective Contractor willing to enter into the Contract; or

b. The Contract is for needed goods, services, construction of a public work or improvement, or interest in or right to use real property that is available only from a single prospective Contractor, and that prospective Contractor is otherwise qualified and acceptable to the City; or

c. The Contract is necessary to respond to an emergency that endangers the public health or safety, and no entity which complies with

the requirements of the Equal Benefits Ordinance capable of responding to the emergency is immediately available; or

d. The City Attorney certifies in writing that the Contract involves specialized litigation requirements such that it would be in the best interests of the City to waive the requirements of the Equal Benefits Ordinance; or

e. The Contract is (i) with a public entity; (ii) for goods, services, construction of a public work or improvement, or interest in or right to use real property; and (iii) that is either not available from another source, or is necessary to serve a substantial public interest. A Contract for interest in or the right to use real property shall not be considered as not being available from another source unless there is no other site of comparable quality or accessibility available from another source; or

f. The requirements of the Equal Benefits Ordinance will violate or are inconsistent with the terms or conditions of a grant, subvention or agreement with a public agency or the instructions of an authorized representative of the agency with respect to the grant, subvention or agreement, provided that the Awarding Authority has made a good faith attempt to change the terms or conditions of the grant, subvention or agreement to authorize application of the Equal Benefits Ordinance; or

g. The Contract is for goods, a service or a project that is essential to the City or City residents and there are no qualified responsive bidders or prospective Contractors who could be certified as being in compliance with the requirements of the Equal Benefits Ordinance; or

h. The Contract involves bulk purchasing arrangements through City, federal, state or regional entities that actually reduce the City's purchasing costs and would be in the best interests of the City.

(2) The Equal Benefits Ordinance does not apply to contracts which involve:

a. The investment of trust monies, bond proceeds or agreements relating to the management of these funds, indentures, security enhancement agreements (including, but not limited to, liquidity agreements, letters of credit, bond insurance) for City tax-exempt and taxable financings, deposits of City's surplus funds in financial institutions, the investment of City monies in competitively bid investment agreements, the investment of City monies in securities permitted under the California State Government Code and/or the City's investment policy, investment agreements, repurchase agreements, City monies invested in U.S. government securities or pre-existing investment agreements;

b. Contracts involving City monies in which the Treasurer or the City Administrative Officer finds that either:

(i) No person, entity or financial institution doing business in the City, which is in compliance with the Equal Benefits Ordinance, is capable of performing the desired transaction(s); or

(ii) The City will incur a financial loss or forego a financial benefit which in the opinion of the Treasurer or City Administrative Officer would violate his or her fiduciary duties.

(3) The Equal Benefits Ordinance does not apply to contracts for gifts to the City.

(4) Nothing in this Subsection shall limit the right of the City to waive the provisions of the Equal Benefits Ordinance.

(5) The provisions of this Subsection shall apply to the Equal Benefits Ordinance only. The Equal Benefits Ordinance is not subject to the exemptions provided in Section 10.9 of this Code.

(j) **Consistency with Federal or State Law.** The provisions of the Equal Benefits Ordinance do not apply where the application of these provisions would violate or be inconsistent with the laws, rules or regulations federal or state law, or where the application would violate or be inconsistent with the terms or conditions of a grant or contract with the United States of America, the State of California, or the instruction of an authorized representative of any of these agencies with respect to any grant or contract.

(k) **Severability.** If any provision of the Equal Benefits Ordinance is declared legally invalid by any court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

(l) **Timing of Application.**

(1) The requirements of the Equal Benefits Ordinance shall not apply to Contracts executed or amended prior to January 1, 2000, or to bid packages advertised and made available to the public, or any bids received by the City, prior to January 1, 2000, unless and until those Contracts are amended after January 1, 2000 and would otherwise be subject to the Equal Benefits Ordinance.

(2) The requirements of the Equal Benefits Ordinance shall apply to competitively bid Contracts that are amended after April 1, 2003, and to competitively bid Contracts that result from bid packages advertised and made available to the public after May 1, 2003.

(3) Unless otherwise exempt, the Equal Benefits Ordinance applies to any agreement executed or amended after January 1, 2000, that meets the definition of a Contract as defined within Subsection 10.8.2.1(b).

SECTION HISTORY

Added by Ord. No. 172,908, Eff. 1-9-00.

Amended by: Ord. No. 173,054, Eff. 2-27-00; Ord. No. 173,058, Eff. 3-4-00; Ord. No. 173,142, Eff. 3-30-00; Ord. No. 173,285, Eff. 6-26-00, Oper. 7-1-00; In Entirety, Ord. No. 175,115, Eff. 4-12-03; Subsec. (b)(7), Ord. No. 176,155, Eff. 9-22-04.

Sec. 10.8.3. Equal Employment Practices Provisions.

Every non-construction contract with or on behalf of the City of Los Angeles for which the consideration is \$1,000 or more, and every construction contract for which the consideration is \$1,000 or more, shall contain the following provisions, which shall be

designated as the **EQUAL EMPLOYMENT PRACTICES** provision of such contract:

A. During the performance of this contract, the contractor agrees and represents that it will provide equal employment practices and the contractor and each subcontractor hereunder will ensure that in his or her employment practices persons are employed and employees are treated equally and without regard to or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.

1. This provision applies to work or service performed or materials manufactured or assembled in the United States.

2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.

3. The contractor agrees to post a copy of Paragraph A hereof in conspicuous places at its place of business available to employees and applicants for employment.

B. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to their race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.

C. As part of the City's supplier registration process, and/or at the request of the awarding authority, or the Board of Public Works, Office of Contract Compliance, the contractor shall certify in the specified format that he or she has not discriminated in the performance of City contracts against any employee or applicant for employment on the basis or because of race, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status or medical condition.

D. The contractor shall permit access to and may be required to provide certified copies of all of his or her records pertaining to employment and to employment practices by the awarding authority or the Office of Contract Compliance for the purpose of investigation to ascertain compliance with the Equal Employment Practices provisions of City contracts. On their or either of their request the contractor shall provide evidence that he or she has or will comply therewith.

E. The failure of any contractor to comply with the Equal Employment Practices provisions of this contract may be deemed to be a material breach of City contracts. Such failure shall only be established upon a finding to that effect by the awarding authority, on the basis of its own investigation or that of the Board of Public Works, Office of Contract Compliance. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard has been given to the contractor.

F. Upon a finding duly made that the contractor has failed to comply with the Equal Employment Practices provisions of a City contract, the contract may

be forthwith canceled, terminated or suspended, in whole or in part, by the awarding authority, and all monies due or to become due hereunder may be forwarded to and retained by the City of Los Angeles. In addition thereto, such failure to comply may be the basis for a determination by the awarding authority or the Board of Public Works that the said contractor is an irresponsible bidder or proposer pursuant to the provisions of Section 371 of the Charter of the City of Los Angeles. In the event of such a determination, such contractor shall be disqualified from being awarded a contract with the City of Los Angeles for a period of two years, or until the contractor shall establish and carry out a program in conformance with the provisions hereof.

G. Notwithstanding any other provision of this contract, the City of Los Angeles shall have any and all other remedies at law or in equity for any breach hereof.

H. The Board of Public Works shall promulgate rules and regulations through the Office of Contract Compliance, and provide necessary forms and required language to the awarding authorities to be included in City Request for Bids or Request for Proposal packages or in supplier registration requirements for the implementation of the Equal Employment Practices provisions of this contract, and such rules and regulations and forms shall, so far as practicable, be similar to those adopted in applicable Federal Executive orders. No other rules, regulations or forms may be used by an awarding authority of the City to accomplish the contract compliance program.

I. Nothing contained in this contract shall be construed in any manner so as to require or permit any act which is prohibited by law.

J. At the time a supplier registers to do business with the City, or when an individual bid or proposal is submitted, the contractor shall agree to adhere to the Equal Employment Practices specified herein during the performance or conduct of City Contracts.

K. Equal Employment Practices shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:

1. Hiring practices;
2. Apprenticeships where such approved programs are functioning, and other on-the-job training for non-apprenticeable occupations;
3. Training and promotional opportunities; and
4. Reasonable accommodations for persons with disabilities.

L. All contractors subject to the provisions of this section shall include a like provision in all subcontracts awarded for work to be performed under the contract with the City and shall impose the same obligations, including but not limited to filing and reporting obligations, on the subcontractors as are applicable to the contractor. Failure of the contractor to comply with this requirement or to obtain the compliance of its subcontractors with all such obligations shall subject the contractor to the imposition of any and all sanctions allowed by law, including but not limited to termination of the contractor's contract with the City.

SECTION HISTORY

Amended by: Ord. No. 147,030, Eff. 4-28-75; Paragraphs A., B., C., Ord. No. 164,516, Eff. 4-13-89; Paragraphs C., Ord. No. 168,244, Eff. 10-18-92; Ord. No. 173,186, Eff. 5-22-00; Subsec. F Ord. No. 173,285, Eff. 6-26-00, Oper. 7-1-00.

Sec. 10.8.4. Affirmative Action Program Provisions.

Every non-construction contract with or on behalf of the City of Los Angeles for which the consideration is \$100,000 or more and every construction contract with or on behalf of the City of Los Angeles for which the consideration is \$5,000 or more shall contain the following provisions which shall be designated as the **AFFIRMATIVE ACTION PROGRAM** provisions of such contract:

A. During the performance of a City contract, the contractor certifies and represents that the contractor and each subcontractor hereunder will adhere to an affirmative action program to ensure that in its employment practices, persons are employed and employees are treated equally and without regard to or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.

1. This provision applies to work or services performed or materials manufactured or assembled in the United States.

2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.

3. The contractor shall post a copy of Paragraph A hereof in conspicuous places at its place of business available to employees and applicants for employment.

B. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to their race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.

C. As part of the City's supplier registration process, and/or at the request of the awarding authority or the Office of Contract Compliance, the contractor shall certify on an electronic or hard copy form to be supplied, that the contractor has not discriminated in the performance of City contracts against any employee or applicant for employment on the basis or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.

D. The contractor shall permit access to and may be required to provide certified copies of all of its records pertaining to employment and to its employment practices by the awarding authority or the Office of Contract Compliance, for the purpose of investigation to ascertain compliance with the Affirmative Action Program provisions of City contracts, and on their or either of their request to provide evidence that it has or will comply therewith.

E. The failure of any contractor to comply with the Affirmative Action

Program provisions of City contracts may be deemed to be a material breach of contract. Such failure shall only be established upon a finding to that effect by the awarding authority, on the basis of its own investigation or that of the Board of Public Works, Office of Contract Compliance. No such finding shall be made except upon a full and fair hearing after notice and an opportunity to be heard has been given to the contractor.

F. Upon a finding duly made that the contractor has breached the Affirmative Action Program provisions of a City contract, the contract may be forthwith cancelled, terminated or suspended, in whole or in part, by the awarding authority, and all monies due or to become due hereunder may be forwarded to and retained by the City of Los Angeles. In addition thereto, such breach may be the basis for a determination by the awarding authority or the Board of Public Works that the said contractor is an irresponsible bidder or proposer pursuant to the provisions of Section 371 of the Los Angeles City Charter. In the event of such determination, such contractor shall be disqualified from being awarded a contract with the City of Los Angeles for a period of two years, or until he or she shall establish and carry out a program in conformance with the provisions hereof.

G. In the event of a finding by the Fair Employment and Housing Commission of the State of California, or the Board of Public Works of the City of Los Angeles, or any court of competent jurisdiction, that the contractor has been guilty of a willful violation of the California Fair Employment and Housing Act, or the Affirmative Action Program provisions of a City contract, there may be deducted from the amount payable to the contractor by the City of Los Angeles under the contract, a penalty of TEN DOLLARS (\$10.00) for each person for each calendar day on which such person was discriminated against in violation of the provisions of a City contract.

H. Notwithstanding any other provisions of a City contract, the City of Los Angeles shall have any and all other remedies at law or in equity for any breach hereof.

I. The Public Works Board of Commissioners shall promulgate rules and regulations through the Office of Contract Compliance and provide to the awarding authorities electronic and hard copy forms for the implementation of the Affirmative Action Program provisions of City contracts, and rules and regulations and forms shall, so far as practicable, be similar to those adopted in applicable Federal Executive Orders. No other rules, regulations or forms may be used by an awarding authority of the City to accomplish this contract compliance program.

J. Nothing contained in City contracts shall be construed in any manner so as to require or permit any act which is prohibited by law.

K. The contractor shall submit an Affirmative Action Plan which shall meet the requirements of this chapter at the time it submits its bid or proposal or at the time it registers to do business with the City. The plan shall be subject to approval by the Office of Contract Compliance prior to award of the contract. The awarding authority may also require contractors and suppliers to take part in

a pre-registration, pre-bid, pre-proposal, or pre-award conference in order to develop, improve or implement a qualifying Affirmative Action Plan. Affirmative Action Programs developed pursuant to this section shall be effective for a period of twelve months from the date of approval by the Office of Contract Compliance. In case of prior submission of a plan, the contractor may submit documentation that it has an Affirmative Action Plan approved by the Office of Contract Compliance within the previous twelve months. If the approval is 30 days or less from expiration, the contractor must submit a new Plan to the Office of Contract Compliance and that Plan must be approved before the contract is awarded.

(1) Every contract of \$5,000 or more which may provide construction, demolition, renovation, conservation or major maintenance of any kind shall in addition comply with the requirements of Section 10.13 of the Los Angeles Administrative Code.

(2) A contractor may establish and adopt as its own Affirmative Action Plan, by affixing his or her signature thereto, an Affirmative Action Plan prepared and furnished by the Office of Contract Compliance, or it may prepare and submit its own Plan for approval.

L. The Office of Contract Compliance shall annually supply the awarding authorities of the City with a list of contractors and suppliers who have developed Affirmative Action Programs. For each contractor and supplier the Office of Contract Compliance shall state the date the approval expires. The Office of Contract Compliance shall not withdraw its approval for any Affirmative Action Plan or change the Affirmative Action Plan after the date of contract award for the entire contract term without the mutual agreement of the awarding authority and the contractor.

M. The Affirmative Action Plan required to be submitted hereunder and the pre-registration, pre-bid, pre-proposal or pre-award conference which may be required by the Board of Public Works, Office of Contract Compliance or the awarding authority shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:

1. Apprenticeship where approved programs are functioning, and other on-the-job training for non-apprenticeable occupations;
2. Classroom preparation for the job when not apprenticeable;
3. Pre-apprenticeship education and preparation;
4. Upgrading training and opportunities;
5. Encouraging the use of contractors, subcontractors and suppliers of all racial and ethnic groups, provided, however, that any contract subject to this ordinance shall require the contractor, subcontractor or supplier to provide not less than the prevailing wage, working conditions and practices generally observed in private industries in the contractor's, subcontractor's or supplier's geographical area for such work;
6. The entry of qualified women, minority and all other journeymen

into the industry; and

7. The provision of needed supplies or job conditions to permit persons with disabilities to be employed, and minimize the impact of any disability.

N. Any adjustments which may be made in the contractor's or supplier's work force to achieve the requirements of the City's Affirmative Action Contract Compliance Program in purchasing and construction shall be accomplished by either an increase in the size of the work force or replacement of those employees who leave the work force by reason of resignation, retirement or death and not by termination, layoff, demotion or change in grade.

O. Affirmative Action Agreements resulting from the proposed Affirmative Action Plan or the pre-registration, pre-bid, pre-proposal or pre-award conferences shall not be confidential and may be publicized by the contractor at his or her discretion. Approved Affirmative Action Agreements become the property of the City and may be used at the discretion of the City in its Contract Compliance Affirmative Action Program.

P. This ordinance shall not confer upon the City of Los Angeles or any Agency, Board or Commission thereof any power not otherwise provided by law to determine the legality of any existing collective bargaining agreement and shall have application only to discriminatory employment practices by contractors or suppliers engaged in the performance of City contracts.

Q. All contractors subject to the provisions of this section shall include a like provision in all subcontracts awarded for work to be performed under the contract with the City and shall impose the same obligations, including but not limited to filing and reporting obligations, on the subcontractors as are applicable to the contractor. Failure of the contractor to comply with this requirement or to obtain the compliance of its subcontractors with all such obligations shall subject the contractor to the imposition of any and all sanctions allowed by law, including but not limited to termination of the contractor's contract with the City.

SECTION HISTORY

Amended by Ord. No. 147,030, Eff. 4-28-75; Paragraphs A., B., C., Ord. No. 164,516, Eff. 4-13-89; Paragraphs B. and C., Ord. No. 168,244, Eff. 10-18-92; Title and Section, Ord. No. 173,186, Eff. 5-22-00; Subsec. F, Ord. No. 173,285, Eff. 6-26-00, Oper. 7-1-00.

Sec. 10.8.5. Notice of Bid Announcement.

Each awarding authority shall be responsible for giving notice to all prospective bidders of the requirements of this section and when requested by the Office of Contract Compliance, to give the Office of Contract Compliance notice of each contract proposed to be put to public bid or otherwise awarded and if requested shall provide a copy of the bid package to the Office of Contract Compliance for approval. The Office of Contract Compliance shall have a maximum of fifteen (15) calendar days after receipt of notice of imminent announcement for bid to approve the bid package and to advise the awarding authority of its participation in the contract. Lack of response by the Office of Contract Compliance shall not remove any responsibility of the awarding authority to comply with the requirements of this division.