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AMENDED AND RESTATED
MASTER RECIPROCAL EASEMENT AGREEMENT

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AMENDED AND RESTATED
MASTER RECIPROCAL EASEMENT AGREEMENT

THIS AMENDED AND RESTATED MASTER RECIPROCAL EASEMENT AGREEMENT (this "Agreement") is made as of the ____ day of _____, 2013 (the "Effective Date") by and among: THE CITY OF LOS ANGELES, a municipal corporation ("City"), L.A. EVENT CENTER, LLC, a Delaware limited liability company ("Event Center Ground Lessee"), L.A. PARKING STRUCTURES, LLC, a Delaware limited liability company ("Parking Garage Ground Lessee"), and L.A. ARENA LAND COMPANY, LLC., a Delaware limited liability company ("Staples Center Ground Lessee," and together with the Event Center Ground Lessee and the Parking Garage Ground Lessee, the "Ground Lessees"), as a declaration and agreement establishing a common plan for the use of the Parcels (and portions thereof) that will be binding on all present and future Owners of the Parcels (all as defined in Article 1 below).

RECITALS

A. Capitalized terms not defined herein where used are defined in ARTICLE 1 of this Agreement.

B. Anschutz Entertainment Group, Inc., a Colorado corporation ("AEG"), and its affiliates desire to develop and construct an event center, which will include a stadium sufficient to accommodate a National Football League team, concert and other uses, meeting, and exhibit space (the "Event Center") on certain real property which is currently owned by the City, is generally located at the southeast corner of LA Live Way and Chick Hearn Court, and which is described on Exhibit A-1 attached hereto and made a part hereof (the "Event Center Parcel"). As of the date of this Agreement, portions of the West Hall of the Los Angeles Convention Center are located on the Event Center Parcel. The Event Center Parcel is depicted on the Site Plan. Concurrently with the execution of this Agreement, the City intends to enter into a ground lease agreement, pursuant to which the City, as landlord, will ground lease the Event Center Parcel to the Event Center Ground Lessee (an affiliate of AEG), as tenant, pursuant to which the Event Center Ground Lessee will demolish portions of the West Hall of the Los Angeles Convention Center and develop, construct and operate the Event Center on and within the Event Center Parcel.

C. The City is also the current fee-simple owner of the "Convention Center Parcel." The "Convention Center Parcel" is described on Exhibit A-2 attached hereto and made a part hereof, and consists of, among other things: (i) that certain real property on which the South Hall of the Los Angeles Convention Center (the "South Hall Convention Center Parcel"), and which is depicted on the Site Plan, (ii) that certain real property on which Gilbert Lindsay Plaza is located (the "Gilbert Lindsay Plaza Parcel"), and which is depicted on the Site Plan, (iii) that certain real property on which the "New Hall" (as defined in Recital D below) will be constructed, and which is depicted on the Site Plan (the "New Hall Parcel"), and (iv) that certain real property on which a certain parking structure is located (the "Venice Boulevard Garage Parcel"), and which is depicted on the Site Plan.

D. Prior to the construction of the Event Center, AEG, by and through its affiliates, will develop and construct on behalf of the City an exhibit hall, meeting rooms, and ancillary and

supporting spaces to replace for the City the spaces, functions, and facilities provided by its existing West Hall (the "New Hall") pursuant to various contractual agreements with the City. The New Hall will be located on and within the New Hall Parcel, which is directly adjacent to the Event Center Parcel. Upon completion of its construction, the New Hall will be owned and operated by the City.

E. In connection with the construction of the Event Center and the New Hall, AEG and its affiliates intend to construct and develop: (i) an above ground parking structure on the "LA Live Way Garage Parcel" (as hereinafter defined) which will provide parking for the Event Center and the New Hall, and (ii) an above ground parking structure on the "Bond Street Garage Parcel" (as hereinafter defined) which will also provide parking for the Event Center and the New Hall. The City is currently the fee-simple owner of that certain real property located at the northwest corner of Pico Boulevard and LA Live Way, and which is described on Exhibit A-3 attached hereto and made a part hereof (the "LA Live Way Garage Parcel"), and that certain real property located at the southwest corner of Pico Boulevard and LA Live Way, and which is described on Exhibit A-4 attached hereto and made a part hereof (the "Bond Street Garage Parcel"). The LA Live Way Garage Parcel and the Bond Street Garage Parcel are depicted on the Site Plan. Concurrently with the execution of this Agreement, the City intends to enter into separate ground lease agreements, pursuant to which the City, as landlord, will ground lease each of the LA Live Way Garage Parcel and the Bond Street Parking Garage Parcel to Parking Garage Ground Lessee (an affiliate of AEG), as tenant.

F. The City is currently the fee-simple owner of that certain real property located at the southwest corner of Figueroa Boulevard and Chick Hearn Court, and which is described on Exhibit A-5 attached hereto and made a part hereof (the "Staples Center Parcel"). The Staples Center Parcel is depicted on the Site Plan. Pursuant to that certain Arena Ground Lease dated March 26, 1998, as amended (the "Arena Ground Lease"), the City, as landlord, ground leased the Staples Center Parcel to Staples Center Ground Lessee (an affiliate of AEG), as tenant. Staples Center Ground Lessee owns and operates the "Staples Center Arena", a sports, entertainment and event arena for the exhibition of professional basketball, hockey, concerts and other events, on the Staples Center Parcel.

G. The Event Center Parcel, Convention Center Parcel, Staples Center Parcel and other real property described therein, if any, are currently subject to that certain Reciprocal Easement and Environmental Restriction Agreement dated as of March 26, 1998, and recorded on March 27, 1998, as Instrument No. 98-501502, as amended (the "Existing REA"). The parties hereto intend to amend and restate the Existing REA in its entirety, it being the intent of the parties hereto that the terms and conditions set forth in this Agreement shall supersede in all respects the terms and conditions of the Existing REA.

H. The use and development of the Event Center Parcel, Convention Center Parcel, LA Live Way Garage Parcel and Bond Street Garage Parcel shall be governed, among other things, by the Convention and Event Center Specific Plan (as defined in ARTICLE 1), and for purposes of this Agreement, may be referred to collectively herein as the "Event Center/New Hall Project".

I. The City and Ground Lessees desire to establish reciprocal easements and related agreements for the mutual benefit of the Parcels, all as specified in this Agreement.

NOW, THEREFORE, with reference to the foregoing recitals, in consideration of the promises, covenants and agreements set forth in this Agreement and other good and valuable consideration, receipt of which is hereby acknowledged, the parties to this Agreement hereby agree that each of the Parcels shall be held, improved, developed, sold, conveyed, hypothecated, encumbered, leased, rented, used, operated and occupied subject to the limitations, restrictions, reservations, agreements, rights, easements, conditions, and covenants set forth herein, to the extent made applicable to such Parcel by the terms of this Agreement (collectively, the "Restrictions").

These Restrictions are intended to be in furtherance of the protection, maintenance, improvement and operation of the Parcels and for the purpose of enhancing and preserving the value, desirability and attractiveness of the Parcels. All provisions of this Agreement, including the Restrictions, shall be enforceable equitable servitudes upon the applicable Parcel or Parcels affected thereby.

Subject to the terms hereof, these Restrictions shall run with and burden the Parcel or Parcels affected thereby, and shall be binding upon and, as applicable, inure to the benefit of the applicable Parcel or Parcels, and shall be binding upon and inure to the benefit of each Person having or acquiring any right, title or interest as an Owner of any of the Parcels, and their respective successors and assigns.

The Parties hereby further agree as follows:

ARTICLE 1

DEFINITIONS

In addition to any other terms herein defined, the capitalized terms set forth in this ARTICLE 1, as used in this Agreement, shall have the following meanings:

"Affiliate" shall mean as to any Person, any other Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" of a Person means the power, directly or indirectly, to direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

"Agreement" shall mean this Amended and Restated Master Reciprocal Easement Agreement.

"As-Built Plans" shall mean the as-built plans and specifications for any Improvements constructed on a Parcel once such Improvements have been constructed and completed.

"Automobile and Truck Access Ramp" shall mean the automobile and truck access ramp and subterranean access road and service corridor (as depicted on Exhibit B) used for purposes of accessing the Loading Dock.

"Bond Street Garage Parcel Owner" means the Owner of the Bond Street Garage Parcel.

“Bond Street Pedestrian Bridge” shall mean the pedestrian bridge at the “250” level of the Project which will cross over LA Live Way and connect the New Hall and the parking garage on the Bond Street Garage Parcel, as shown on Exhibit B.

“Building” or “Buildings” shall mean the building or buildings constructed or to be constructed on each Parcel. If the context is applicable, the term “Building” will be deemed to include each of the parking garages to be constructed on the LA Live Way Garage Parcel and the Bond Street Garage Parcel.

“Communications Systems” shall have the meaning given such term in Section 2.1G(i).

“Condemnation” shall mean: (i) the taking of all or any part of any Parcel or the possession thereof under the power of eminent domain; (ii) the voluntary sale (with the consent of the Owner then in possession, the other Owners and any other Persons having an interest therein) of all or any part of a Parcel to any Person having the power of eminent domain, provided that the Parcel or such part thereof is then under the threat of condemnation from such Person; or (iii) inverse condemnation resulting by reason of actions of a public authority and confirmed by a final judgment of a court of competent jurisdiction.

“Construction” shall have the same meaning as “Work” set forth below.

“Convention and Event Center Specific Plan” shall mean the Convention and Event Center Specific Plan approved by the Los Angeles City Council on [] as Ordinance Nos. [], as may be amended from time to time.

“Convention Center Parcel Owner” means the Owner of the Convention Center Parcel.

“Cure Period” shall mean (i) if the default involves the failure to pay money, ten (10) business days after notice has been given to the Owner, and (ii) if the default involves the failure to satisfy an obligation other than the payment of money, thirty (30) calendar days after notice has been given to the Owner; provided, however, that, if the nature of such default is such that the same cannot reasonably be cured within a 30-day period, an Owner shall not be deemed to be in default if it diligently commences the cure within such 30-day period and thereafter diligently and continuously proceeds to cure such default to completion within a reasonable time.

“Development Agreement” means that certain Development Agreement by and between City, Event Center Ground Lessee and Parking Garage Ground Lessee dated as of _____, 201__, which is to be recorded in the Official Records of the County.

“Event Center Parcel Owner” means the Owner of the Event Center Parcel.

“Event Day” means any date on which an event is scheduled to take place either at the Event Center or Staples Center Arena (or both the Event Center and Staples Center Arena).

“Event of Default” will occur after (i) an Owner has defaulted in any of its obligations under this Agreement, (ii) the defaulting Owner has received written notice of such

default, and (iii) the defaulting Owner has failed to cure such default within the Cure Period, if any, specified in this Agreement.

“Gilbert Lindsay Plaza Agreement” shall mean that certain agreement captioned “GILBERT LINDSAY PLAZA USE AGREEMENT” by and between (i) L.A. Live Properties, LLC, a Delaware limited liability company and (ii) the City, made as of the Effective Date of this Agreement.

“Gilbert Lindsay Plaza Parcel Owner” shall mean the Owner of the Gilbert Lindsay Plaza Parcel.

“Governing Documents” shall mean, collectively, the Convention and Event Center Specific Plan, the Development Agreement, and the Signage District, all as may be amended from time to time.

“Improvements” shall mean all of the improvements constructed upon each Parcel from time to time including, without limitation, the Buildings, the Automobile and Truck Access Ramp, the Loading Dock, the central plant, the Bond Street Pedestrian Bridge, the LA Live Way Pedestrian Bridge, and all other improvements constructed on any Parcel from time to time.

“LA Live Way Garage Parcel Owner” means the Owner of the LA Live Way Garage Parcel.

“LA Live Way Pedestrian Bridge” shall mean the pedestrian bridge at the “270” level of the Project which will cross over LA Live Way and connect the Event Center and the parking garage on the LA Live Way Garage Parcel, as shown on Exhibit B.

“Legal Requirements” shall mean all laws, statutes, ordinances, rules, regulations and other legal requirements at any time applicable to a Parcel or Building or activities conducted on or at the Project, or any portion thereof, whether imposed by a governmental authority or by binding agreement, including, without limitation, the Governing Documents and applicable land use, zoning, and building and safety laws and regulations.

“Loading Dock” shall mean the loading dock and mechanical components related thereto located at the ground level on portions of the Event Center Parcel, as depicted on Exhibit “B.”

“Macro-Booking Policy” shall mean Article IX of that certain Implementation Agreement by and among the City, Event Center Ground Lessee, L.A. Arena Land Company, LLC, a Delaware corporation, L.A. Convention Hall LLC, a Delaware limited liability company, and Parking Garage Ground Lessee, dated as of _____, 201__, a memorandum of which was recorded in the Official Records of Los Angeles County, California, on _____, 201__ (which Article IX is titled “Campus Operation and Cooperation Policy”), and all future policies adopted pursuant to such Article IX.

“Maintenance and Operating Charges” means the maintenance and operating charges associated with use of any Easement, area or Improvement including: (i) costs of repair, maintenance and similar operating costs (including costs relating to wear and tear

repairs/maintenance) associated with use of Easements or facilities; (ii) costs of management, security, parking attendants, janitorial and other personnel services which may be required to prepare, implement, supervise, coordinate and clean up before, during and after an event and to return the facilities or areas to their condition preceding the event, and (iii) utility costs, insurance costs (including insurance premiums and expenditures to cover reasonable deductible amounts) and all direct fees and charges associated with such use.

"Mortgage" shall mean (i) a mortgage or deed of trust encumbering the fee interest in a Parcel which has first priority under the recording statutes of the State of California over all other Mortgagees encumbering the fee interest in such Parcel, (ii) a mortgage or deed of trust encumbering the leasehold interest in a Parcel which has first priority under the recording statutes of the State of California over all other Mortgagees encumbering the leasehold interest in such Parcel, or (iii) a Sale and Leaseback; provided that in the event a Mortgage as defined by clause (i) above and a Mortgage as defined by clause (ii) above both exist, both Mortgages shall be considered Mortgages affecting the applicable Parcel, and provided further that in the event a Mortgage as defined by clause (i) and/or (ii) above and a Mortgage as defined by clause (iii) above both exist, only the Mortgage(s) as defined by clauses (i) and (ii) above shall be considered Mortgage(s) for purposes of this Agreement.

"Mortgagee" shall mean (i) a bank, savings and loan association, insurance or mortgage company or other entity or institution chartered under federal and/or state law as a company that lends money, or any subsidiary of any of the foregoing, or any pension fund or trust, group trust, real estate investment trust, savings fund society, private equity firm, or other entity in the business of lending money acting as mortgagee, beneficiary or trustee under a Mortgage; (ii) an insurer or governmental guarantor of a Mortgage; (iii) a federal or state agency; or (iv) the Owner owning the fee interest following a Sale and Leaseback. The term "Mortgagee" shall not refer to any of the foregoing Persons after (x) acquisition of title to the Parcel of any Owner by the Mortgagee through foreclosure or deed in lieu thereof, or (y) termination of the lease by the Owner owning the fee interest of a Parcel under a Sale and Leaseback.

"New Hall Parcel Owner" shall mean the Owner of the New Hall Parcel.

"Occupant" shall mean the Owners and any other Person from time to time entitled to the use and occupancy of floor area or other areas in the Buildings or the Project as owner or under any lease, deed or other written instrument or agreement whereunder such Person has acquired a right to such use and occupancy.

"Owner" shall mean, with respect to any particular Parcel, the City for the period that the City owns such Parcel, and thereafter any Person succeeding to the City's fee simple interest during the period such successor owns such Parcel, except as is otherwise provided in subparagraphs (i), (ii), (iii), (iv), or (v) below:

- (i) the transferring Owner retains the entire possessory interest in the Parcel or portion thereof so conveyed by the terms of a Mortgage or Sale and Leaseback, in which event the Person owning such possessory interest shall have the status of Owner;

(ii) the transfer or conveyance is a Sale and Leaseback, in which event only the Person entitled as of the time in question to possession of the Parcel shall have the status of Owner, so long as the lease in question has not expired or been terminated;

(iii) the transfer or conveyance is by way of lease, other than as provided in subparagraphs (i) and (ii) above and subparagraph (v) below, in which event the fee simple owner shall have the status of Owner;

(iv) the successor acquires less than the entire interest of an Owner in its Parcel, such as that of joint tenant or tenant-in-common, in which event, the Persons holding all of the interests in such Parcel shall be jointly considered a single Owner;

(v) during the period any Parcel is encumbered by a ground lease that is in full force and effect and to the extent the ground lessee under such ground lease has right to possession to the leased premises, the ground lessee under such ground lease shall be deemed the "Owner" (of both the land and the improvements thereon) for all purposes under this Agreement and shall have the right to exercise all rights and remedies of the Owner of such Parcel. In particular, the Parties hereby acknowledge and agree that (i) for so long as the Event Center Ground Lease is in full force and effect, and to the extent the Event Center Ground Lessee is entitled under such ground lease to the possession of the leased premises, Event Center Ground Lessee shall be the "Owner" with respect to the Event Center Parcel for all purposes under this Agreement, (ii) for so long as the Staples Center Ground Lease is in full force and effect, and to the extent the Staples Center Ground Lessee is entitled under such ground lease to the possession of the leased premises, Staples Center Ground Lessee shall be the "Owner" with respect to the Staples Center Parcel for all purposes under this Agreement, (iii) for so long as the LA Live Way Garage Ground Lease is in full force and effect, and to the extent the LA Live Way Garage Ground Lessee is entitled under such ground lease to the possession of the leased premises, LA Live Way Garage Ground Lessee shall be the "Owner" with respect to the LA Live Way Garage Parcel for all purposes under this Agreement, and (iv) for so long as the Bond Street Garage Ground Lease is in full force and effect, and to the extent the Bond Street Garage Ground Lessee is entitled under such ground lease to the possession of the leased premises, Bond Street Garage Ground Lessee shall be the "Owner" with respect to the Bond Street Garage Parcel for all purposes under this Agreement. With respect to each of the above-referenced ground-leased Parcel, immediately upon expiration of the term of such ground lease or earlier termination thereof for whatever reason, the then fee-simple owner of such Parcel shall automatically be deemed the sole Owner of such Parcel (of both the land and the Improvements thereon) for all purposes of this Agreement.

"Parcel" or "Parcels" shall mean, individually or collectively as the context requires, the Convention Center Parcel, the Event Center Parcel, the LA Live Way Garage Parcel, the Bond Street Garage Parcel and the Staples Center Parcel.

"Permittees" shall mean all Occupants and their respective officers, directors, employees, agents, contractors, customers, visitors, invitees, licensees and concessionaires.

"Permitted Nonrestoration Circumstance" means that a Substantial Destruction Event has occurred and the Substantial Destruction Restoration Requirements have not been satisfied.

"Person" shall mean individuals, partnerships, limited liability companies, firms, associations, trusts and corporations, or any other form of business or government entity and may refer to, where the context may require, any Owner, and the use of the singular shall include the plural.

"Project" shall mean collectively, the Event Center/New Hall Project and the Staples Center Arena.

"Project Ground Leases" shall mean collectively, those certain ground leases to be entered into between the City and Event Center Ground Lessee or Parking Garage Ground Lessee regarding the Event Center Parcel, the LA Live Way Garage Parcel, and the Bond Street Garage Parcel, as applicable, together with the Arena Ground Lease.

"Public Areas" shall mean those portions and components of the Project that are made available for the use, convenience and benefit of the general public. The Public Areas do not include any interior portion of any Building.

"Sale and Leaseback" shall mean a transaction whereby an Owner who is the fee owner of a Parcel conveys the fee interest in such Parcel (or any portion thereof) and such conveyance is followed immediately by a leaseback of the Parcel (or portion thereof) to such Owner or its Affiliate (or an assignment of a leasehold interest and such assignment is followed immediately by a subleaseback).

"Signage District" shall mean that certain Convention and Event Center Sign District approved by the Los Angeles City Council on [] as Ordinance Nos. [], as may be amended from time to time.

"Site Plan" shall mean the Site Plan of the Project attached hereto as Exhibit C.

"South Hall Convention Center Parcel Owner" shall mean the Owner of the South Hall Convention Center Parcel.

"Specific Surface Area Access" shall mean the specified pedestrian easement areas located within certain Parcels that may consist of exterior walkways, passageways, and general pedestrian areas, as such easement areas are shown on Exhibit B.

"Staples Center Parcel Owner" means the Owner of the Staples Center Parcel.

"Substantial Destruction Event" means that the Improvements on a Parcel have been substantially damaged or destroyed.

"Substantial Destruction Restoration Requirements" means (a) available insurance proceeds, plus the deductible amount under the applicable insurance policy(ies), are sufficient to pay for the cost of restoring, repairing, rebuilding, and/or replacing the damaged or destroyed

Improvements or facilities after a Substantial Destruction Event, and such insurance proceeds have been released for application to payment of such costs by Mortgagees, and (b) it is economically feasible to restore, repair, rebuild and/or replace such damaged or destroyed Improvements.

“Support Elements” shall mean any footings, foundations, columns and other structural elements that support any Buildings and Improvements.

“Transfer” shall have the meaning specified in Section 11.1.

“Utilities” shall mean sanitary sewers, storm drains, water and gas mains, electrical power lines, cable television, telephone lines, heating, ventilating and air conditioning lines, data lines, fiber optic lines, security systems, fire and life safety service lines and other utility lines and facilities, other than conduits and cables.

“Work” or “Construction” shall mean initial construction under this Agreement and, except where otherwise specified, subsequent construction, alteration, repair, restoration, rebuilding, demolition, removal and razing related to any of the easements granted by this Agreement or with respect to a portion of any Parcel that is burdened by such an easement. “Work” and “Construction” shall not include any construction that takes place entirely within a Building (such as tenant improvements) or Parcel and does not affect any easement granted pursuant to this Agreement.

ARTICLE 2

EASEMENTS AND OTHER RIGHTS

2.1 Grants of Easements. The following grant of easements shall be subject to the terms and conditions of this Agreement, including without limitation use and operation limitations set forth in Section 3.2 and operation, maintenance, repair and replacement obligations set forth in Sections 3.4 and 3.5, as well as, to the greatest extent applicable, the Macro-Booking Policy, together with all applicable provisions of the Event Center Ground Lease, the LA Live Way Garage Ground Lease, and the Bond Street Garage Ground Lease, but in all events, at no rent, license fee or other similar charge.

A. Pedestrian and Service Vehicle Access.

(i) Specific Surface Area Access. The Staples Center Parcel Owner, the Event Center Parcel Owner, and the New Hall Parcel Owner each hereby grants to the Owners of all other Parcels, for the benefit of such grantee Owners' Parcels and burdening such grantor Owner's Parcel, a nonexclusive easement appurtenant over the portions of their respective Parcels that constitute Specific Surface Area Access easement areas (as depicted on Exhibit B) for the passage and accommodation of pedestrians. In no event shall this easement be applicable to any interior space of any Building.

(ii) Bond Street Pedestrian Bridge. The New Hall Parcel Owner and the Bond Street Garage Parcel Owner each hereby grants to the Owners of all other Parcels, for the benefit of such grantee Owners' Parcels and burdening the New Hall Parcel and the Bond Street Garage Parcel, a nonexclusive easement appurtenant over the portions of each of the New Hall

Parcel and Bond Street Garage Parcel, respectively, that are part of the Bond Street Pedestrian Bridge for the passage and accommodation of pedestrians (and certain limited service vehicles for use by the Convention Center Parcel Owner in connection with its Convention Center operations). The location of this easement is depicted on Exhibit B.

(iii) Bond Street Pedestrian Bridge Access Way (New Hall Segment).

The New Hall Parcel Owner hereby grants to the Event Center Parcel Owner, for the benefit of the Event Center Parcel and burdening the New Hall Parcel, a nonexclusive easement appurtenant over certain portions located along the western side of the New Hall at the "250" level of the Project for the passage and accommodation of pedestrians. The location of this easement is depicted on Exhibit B.

(iv) Bond Street Pedestrian Bridge Access Way (Event Center Segment).

The Event Center Parcel Owner hereby grants to the Convention Center Parcel Owner, for the benefit of the Convention Center Parcel and burdening the Event Center Parcel, a nonexclusive easement appurtenant over certain portions located along the southern side of the Event Center at the "250" level of the Project for the passage and accommodation of pedestrians and service vehicles. The location of this easement is depicted on Exhibit B.

(v) Bond Street Pedestrian Bridge Vertical Element.

The New Hall Parcel Owner hereby grants to the Owners of all other Parcels, for the benefit of such grantee Owners' Parcels and burdening the New Hall Parcel, a nonexclusive easement appurtenant over certain vertical elements of the Improvements to be located within the New Hall Parcel connecting the "230" and "250" levels of the Project for the vertical passage and accommodation of pedestrians. The location of this easement is depicted on Exhibit B.

(vi) LA Live Way Pedestrian Bridge.

Each of the Event Center Parcel Owner and the LA Live Way Garage Parcel Owner hereby grants to the Owners of all other Parcels, for the benefit of such grantee Owners' Parcels and burdening the Event Center Parcel and LA Live Way Garage Parcel, a nonexclusive easement appurtenant over the portions of each of the Event Center Parcel and the LA Live Way Parcel, respectively, that are part of the LA Live Way Pedestrian Bridge for the passage and accommodation of pedestrians. The location of this easement is depicted on Exhibit B.

(vii) LA Live Way Pedestrian Bridge Vertical Elements.

It is the parties' mutual intent that the Event Center Parcel Owner will grant to the Owners of all other Parcels, for the benefit of such grantee Owners' Parcels and burdening the Event Center Parcel, a nonexclusive easement appurtenant over certain vertical elements of the Improvements to be located within the Event Center Parcel connecting the "270," "250," and "230" levels of the Project for the vertical passage and accommodation of pedestrians. The location of this easement is depicted on Exhibit B. It is intended that the vertical elements may include both: (i) a pedestrian ramp that complies with all then applicable Legal Requirements, including the Americans with Disabilities Act of 1990, and (ii) one or more elevator(s) adjacent to or nearby the pedestrian bridge. The parties to this easement hereby agree to use good faith efforts to work together to either: (a) confirm and consummate, in a recorded document, the granting of this easement as currently intended and proposed above; (b) modify the currently-proposed vertical element(s) and consummate, in a

recorded document, the granting of a similar easement for such modified vertical element(s); or (c) eliminate, in a recorded document, this vertical element easement in its entirety.

(viii) LA Live Way Pedestrian Bridge Vertical Element Connector. It is the parties' mutual intent that the Event Center Parcel Owner will grant to the Owners of all other Parcels, for the benefit of such grantee Owners' Parcels and burdening the Event Center Parcel, a nonexclusive easement appurtenant over certain portions of the Improvements to be located on the Event Center Parcel connecting the LA Live Way Pedestrian Bridge with the vertical elements referenced in subsection (vii) above for the passage and accommodation of pedestrians. The location of this easement is depicted on Exhibit B. The parties to this easement hereby agree to use good faith efforts to work together to grant, modify, or eliminate this easement, in a recorded document, to reflect and accommodate the final resolution of the granting of that easement contemplated under subsection (vii) above.

(ix) West Hall Tower. The Convention Center Parcel Owner hereby grants to the Event Center Parcel Owner, for the benefit of the Event Center Parcel and burdening the Convention Center Parcel, a nonexclusive easement appurtenant for the passage and accommodation of pedestrians over and across the north lobby of that portion of the West Hall of the Convention Center that will remain following completion of the Event Center (the "West Hall Tower") consisting of the hallways, corridors and other lobby areas at the "230" and "250" levels of the West Hall Tower, all as depicted on Exhibit B attached hereto.

(x) Passage through Event Center. The Event Center Parcel Owner hereby grants to the Convention Center Parcel Owner, for the benefit of the Convention Center Parcel and burdening the Event Center Parcel, a nonexclusive easement appurtenant over certain portions of the Event Center at the "230" level of the Project for the passage and accommodation of pedestrians. The location of this easement is depicted on Exhibit B.

(xi) Passage through Concourse Hall Parking Area. It is the parties' mutual intent that the Convention Center Parcel Owner will grant to the Event Center Parcel Owner, for the benefit of the Event Center Parcel and burdening the Convention Center Parcel, a nonexclusive easement appurtenant over certain portions of the Convention Center Parcel at the "230" level of the Project solely for pedestrian egress out of the Event Center during emergency situations. The location of this easement is depicted on Exhibit B. The parties to this easement hereby agree to use good faith efforts to work together to either: (a) confirm and consummate, in a recorded document, the granting of this easement as currently intended and proposed above; (b) modify the currently-proposed emergency exit easement area and consummate, in a recorded document, the granting of a similar easement for such modified emergency exit easement area; or (c) eliminate, in a recorded document, this emergency exit easement in its entirety. In any event, if and to the extent that any emergency exit easement is granted pursuant to this subsection (xi), the Event Center Parcel Owner agrees that the cumulative use of such easement by the Event Center Parcel Owner for its use will not exceed 50% of the time that such easement area is used in the aggregate by Convention Center Parcel Owner and Event Center Parcel Owner.

B. [Reserved]

C. Gilbert Lindsay Plaza Easement

The Gilbert Lindsay Plaza Parcel Owner hereby grants to the Event Center Parcel Owner and the Staples Center Parcel Owner, for the benefit of the Event Center Parcel and the Staples Center Parcel and burdening the Gilbert Lindsay Plaza Parcel, a nonexclusive easement appurtenant across the surface of the Gilbert Lindsay Plaza, subject to the terms and conditions set forth in the Gilbert Lindsay Plaza Agreement. Notwithstanding anything to the contrary, this easement shall terminate automatically and immediately upon termination or expiration of the Gilbert Lindsay Plaza Agreement.

D. Loading Dock and Automobile and Truck Access Ramp.

(i) (a) The New Hall Parcel Owner hereby grants to the Event Center Parcel Owner and the Staples Center Parcel Owner, for the benefit of the Event Center Parcel and the Staples Center Parcel and burdening the New Hall Parcel, a nonexclusive easement appurtenant over the portions of the Convention Center Parcel that are part of the Automobile and Truck Access Ramp (the location of which is depicted on Exhibit B), and (b) the Event Center Parcel Owner grants to the Staples Center Parcel Owner, for the benefit of the Staples Center Parcel and burdening the Event Center Parcel, a nonexclusive easement appurtenant over the portions of the Event Center Parcel that are part of the Automobile and Truck Access Ramp, in the event of both subparagraphs (a) and (b) herein, for truck and other vehicle ingress, egress and access to and from the Loading Dock. As shall be more specifically set forth in the Macro-Booking Policy, the Event Center Parcel Owner shall control the shared use and operation by each of the Convention Center Parcel Owner, the Event Center Parcel Owner and the Staples Center Parcel Owner of the Automobile and Truck Access Ramp.

(ii) The Event Center Parcel Owner hereby grants to the Staples Center Parcel Owner, for the benefit of the Staples Center Parcel and burdening the Event Center Parcel, and the Staples Center Parcel Owner grants to the Event Center Parcel Owner, for the benefit of the Event Center Parcel and burdening the Staples Center Parcel, nonexclusive reciprocal easements appurtenant, for use by each of the respective Parcel Owners of the shared areas surrounding the Loading Dock (the location of which is depicted on Exhibit B), including (1) the loading and unloading of goods to and from the Loading Dock, (2) the placement, maintenance and removal of trash receptacles, compactors and bins, and (3) truck and other vehicle ingress and egress for, and access to, the Loading Dock.

E. Central Plant.

The Event Center Parcel Owner hereby grants to the Staples Center Parcel Owner, for the benefit of the Staples Center Parcel and burdening the Event Center Parcel, a nonexclusive easement appurtenant for the purpose of the construction, installation, operation, maintenance, modification, repair, and replacement of any systems or equipment necessary or appropriate to connect the facilities and equipment located on the Event Center Parcel, to the shared central plant, including ingress, egress and access to the shared central plant. The location of this easement is depicted on Exhibit B.

F. Signage.

The Convention Center Parcel Owner, on the one hand, and L.A. Live Properties, LLC (an affiliate of Event Center Parcel Ground Lessee, and the "AEG Signage Party"), on the other hand, have entered or will enter into a separate signage agreement pursuant to which the AEG Signage Party (for itself and on behalf of certain other AEG Affiliates) has been granted the right to install, operate and maintain certain signage in, on or about the Convention Center Parcel and the Improvements located thereon (the "AEG Signage Agreement"). In furtherance thereof, the Convention Center Parcel Owner hereby grants to the AEG Signage Party a nonexclusive easement in gross for the benefit of the AEG Signage Party and burdening the entire Convention Center Parcel for purposes of installing, using and maintaining the signage described in the AEG Signage Agreement, together with such ingress, egress and access as is necessary or desirable for the construction, installation, use, operation, maintenance, modification, repair, and replacement of the signage described in the AEG Signage Agreement. The exact location of such signage will be as set forth in the AEG Signage Agreement. Notwithstanding anything to the contrary, this easement shall terminate automatically and immediately upon termination or expiration of the AEG Signage Agreement.

G. Conduits and Cabling: Utilities.

(i) Communications Cabling. Each Owner hereby grants to the Owners of all other Parcels, for the benefit of such grantee Owners' Parcels and burdening such grantor Owner's Parcel, a nonexclusive easement appurtenant over the portions of their respective Parcels as reasonably necessary or appropriate for the installation, use, maintenance, repair, relocation and removal of conduit and cabling for communications, data transmission and/or audio/visual transmission purposes and uses ("Communication Systems") in dedicated areas within such Parcels and in Buildings on each such Parcel to connect each Parcel and Building in the Project to the other Buildings or Parcels in the Project.

(ii) Separate Utility Lines. Each Owner hereby grants to the Owners of all other Parcels, for the benefit of such grantee Owners' Parcels and burdening such grantor Owner's Parcel, a nonexclusive easement appurtenant in, to, over, under and across the portion of their respective Parcels as reasonably necessary or appropriate for the installation, operation, flow and passage, use, maintenance, repair, relocation and removal of Utilities serving the respective Parcels.

(iii) Common Utility Lines. Each Owner hereby grants to the Owners of all other Parcels, for the benefit of such grantee Owners' Parcels and burdening such grantor Owner's Parcel, a nonexclusive easement appurtenant in, to, over, under and across the portion of their respective Parcels as reasonably necessary or appropriate for the installation, operation, flow and passage, use, maintenance, repair, relocation and removal of Utilities, including access hatches to utility vaults, servicing all or a portion of the Parcels and for use in common with one or more other Owners.

(iv) Location of Easements. Cables and conduits for the easements granted pursuant to this Section 2.1G shall be located within dedicated ducts and shall be either underground or enclosed within a Building. All Utilities shall be either underground or enclosed within a Building. The location or relocation of all easements described in this Section 2.1G shall be subject to the prior written approval of the Owner in, to, over and under whose Parcel or in

whose Building the same is to be located, which approval shall not be unreasonably withheld, conditioned or delayed. Upon completion of the initial installation of such Communication Systems and/or Utilities, and upon completion of any relocation thereof, the relevant Owners shall join in the execution of an agreement, in recordable form, appropriately identifying the type and location of such easements.

(v) Use and Connections. The Owners shall cooperate with one another to permit the installation, maintenance, replacement and repair of Utilities and Communication Systems permitted under this Agreement, which shall be subject to available capacity (as reasonably determined by the applicable burdened Owner) and such other reasonable restrictions imposed by the burdened Owner. Any such Utilities and Communication Systems shall (a) be constructed, installed, maintained, replaced and repaired so as not to interfere unduly with the use and enjoyment (including business operations) of any Parcel by the respective Owner, (b) not diminish the Utility services to any Parcel, (c) not result in damage or injury to the Buildings or other Improvements of any other Owner, (d) not materially increase the cost of the burdened Owner's initial construction of the improvements on its Parcel, and (e) shall otherwise conform to the applicable requirements of this Agreement. Whenever feasible, such Utilities shall be separately metered or separately assessed to the Owner benefited or using such Utility. Any installation, maintenance, replacement, repair or removal of Utilities shall be performed only after thirty (30) days prior written notice to the grantor of the grantee's intention to do such work, except in the case of emergency (in which event notice shall be given as soon as practicable), and any such work shall be done without cost or expense to the grantor (except as provided in Section 3.4), and in such manner as to reasonably minimize disturbance in the use of the grantor's Parcel as may be practicable under the circumstances and shall not interfere with or diminish the Utility services to the grantor; provided, however, that temporary interference with and/or diminution in Utility services shall be permitted if they occur during non-business hours of the affected Owner. Upon completion of such work, the grantee shall restore the Parcel affected by such work to the same condition as before the commencement of the work.

H. Foundation and Encroachment Easements.

(i) The Convention Center Parcel Owner and the Event Center Parcel Owner each hereby grants to the other Owner, for the benefit of such grantee Owner's Parcel and burdening such grantor Owner's Parcel, a nonexclusive easement appurtenant over the portions of the grantor Owner's Parcel immediately adjacent to the grantee Owner's Parcel for the construction, use, maintenance and repair of footings, foundations, columns and other structural elements to support the Buildings and Improvements on the grantee Owner's Parcel in order to provide the grantee Owner's Parcel with reasonable lateral and subjacent support of its Building without unreasonably interfering with the grantor Owner's use and enjoyment of its Parcel.

(ii) Each Owner hereby grants to the Owner of an adjoining Parcel, for the benefit of such grantee Owner's Parcel and burdening such grantor Owner's Parcel, a nonexclusive easement appurtenant for minor encroachments onto the burdened Parcel and the maintenance or repair thereof, for the purpose of accommodating any encroachment due to the actual physical location of Improvements that are built in accordance with the original design, plans and specifications as are shown in the working drawings of such Improvements, due to attachments to an Improvement (such as lights, signs, etc.) that encroach to a minor extent onto the

adjoining Parcel, or due to engineering errors, errors or adjustments in the original construction, settlement or shifting of an Improvement, or similar causes due to minor variations from working drawings of such Improvements in the construction of such Improvements. If an Improvement is partially or totally destroyed, and then repaired or rebuilt, then the Owner of the burdened Parcel hereby agrees that minor encroachments for the same reasons specified above are hereby granted.

I. INTENTIONALLY DELETED.

J. Maintenance, Repair, Restoration and Replacements Easement.

Each Owner hereby grants to the Owners of all other Parcels, for the benefit of such grantee Owners' Parcels and burdening such grantor Owner's Parcel, a non-exclusive easement appurtenant for ingress and egress, subject to reasonable prior notice, to any easement areas located on every other Parcel as reasonably necessary for the Owner of the benefitted Parcel to exercise such Owner's inspection, maintenance, repair, restoration and replacement rights and obligations as set forth in this Agreement.

2.2 Duration of Easements; Exclusive Use; Permittees; Benefited Owners.

A. Duration of Easements. Unless terminated as provided herein, each easement established herein shall exist until City becomes the Owner of all of the burdened Parcels and all of the benefitted Parcels by virtue of this Agreement, without the necessity of confirmation by any other document. Likewise, upon the termination of any easement (in whole or in part) or its release in respect of all or any part of any Parcel as provided in this Agreement, the same shall be deemed to have been terminated or released without the necessity of confirmation by any other document. Upon the request of any other Owner, however, each Owner will sign and acknowledge a document, in form and substance reasonably approved by each Owner, memorializing the existence (including the location and any conditions), termination (in whole or in part), or release (in whole or in part), as the case may be, of any easement.

B. Exclusive Use; Permittees. Unless otherwise provided in this Agreement, each easement established herein shall be used by the Owners as an appurtenance to and for the benefit of the benefitted Parcel, and solely for, the purpose of using, operating and enjoying the benefitted Parcel(s) as provided in this Agreement. The foregoing notwithstanding, each Owner may permit and designate, from time to time, its Permittees to use such easements, subject to rules and regulations imposed by the applicable burdened Owner as provided in Section 3.2A, and provided that no such permission shall (i) authorize a use of the easements in excess of the use intended as of the effective date of this Agreement or in conflict with any provision of this Agreement or (ii) result in the grant of any easement rights to any Permittee except as expressly provided herein.

C. Benefited Owners. Each easement granted pursuant to the provisions hereof is expressly for the benefit of the Parcel of the grantee, and the Parcel so benefitted shall be the dominant estate and the Parcel upon which such easement is located shall be the servient estate, but where only a portion thereof is bound and burdened, or benefitted by a particular easement, only that portion so bound and burdened, or benefitted, as the case may be, shall be deemed to be the servient or dominant tenement, as the case may be.

2.3 Signage License. Pursuant to the Existing REA, the Convention Center Owner previously granted to the Staples Center Parcel Owner a license to enter onto the Convention Center Parcel in order to, among other things, install, maintain and operate one pylon sign to be located upon the Convention Center Property. The Staples Center Parcel Owner has erected such pylon sign upon the Convention Center Property. The Convention Center Parcel Owner and Staples Center Parcel Owner intend for all of the rights, terms and agreements with respect to such license and the pylon sign to continue in full force and effect throughout the Term of this Agreement. In furtherance thereof, the Convention Center Parcel Owner hereby grants to the Staples Center Parcel Owner a license to install and maintain one pylon-mounted reader board sign, for message display and Staples Center Owner-designated sponsorship, at locations reasonably agreed upon by Convention Center Owner and Staples Center Parcel Owner (provided, that the current location is hereby approved) such that the pylon sign can be viewed from the Interstate 110 Freeway (the "Pylon Sign"). The rights and obligations of Convention Center Parcel Owner and Staples Center Parcel Owner with respect to the Pylon Sign shall be on all of the same terms and conditions as set forth in the Existing REA with respect to the Pylon Sign, and all of such terms and conditions shall be deemed incorporated herein as if set forth herein, and in any event, such use by the Staples Center Parcel Owner shall be subject to and in accordance with all Legal Requirements.

ARTICLE 3

USE; MAINTENANCE AND OPERATION; COST ALLOCATION

3.1 Intent. Except as otherwise expressly set forth in this Agreement, nothing herein is intended to restrict or interfere with the legal use of all or any portion of any Parcel, provided such use is in accordance with all Legal Requirements, this Agreement or the Macro-Booking Policy, as applicable.

3.2 Use and Operation; Special Rules.

A. Rules and Regulations. Each Owner may, in its discretion, adopt reasonable rules and regulations pertaining to the use of the easements granted hereby that are located on or in its Parcel, and to such other matters as are identified herein as subject to such rules and regulations, including availability and other reasonable restrictions and penalties; provided, however, that no such rules and regulations shall be incompatible with or serve to diminish any right conferred or obligations created hereunder or under the Macro-Booking Policy, as applicable. Such rules and regulations shall be binding upon all Owners and Permittees from and after the date of notice thereof, given as provided herein.

B. Automobile and Truck Access Ramp. Any Owner benefiting from any easements granted in Section 2.1A shall use such easements solely for the purposes of ingress and egress, the loading and unloading of goods and equipment, and for the installation, operation and maintenance of equipment and trash receptacles that commonly are used or placed in loading dock areas from time to time. No benefited Owner shall allow any trucks or other vehicles to park in such easement area or otherwise block access to or from the loading docks or vehicular downramps to the Automobile and Truck Access Ramp, except for trucks temporarily parked in any parking areas designated by the burdened Owner during loading and unloading activities;

provided that no such temporary parking shall block ingress and egress to and from the public street. Pursuant to Section 2.1D(i) above, the Event Center Parcel Owner shall at all times operate and maintain the Automobile and Truck Access Ramp at the higher of (i) in a good condition, ordinary wear and tear excluded, and (ii) in accordance with operation and maintenance standards for similar first-class projects of comparable facilities, scope, quality and size to the Project.

3.3 Governmental Compliance. Each Owner, at its sole cost and expense, shall promptly comply or cause compliance with all Legal Requirements, as the same may be hereafter modified or amended, including but not limited to, the Governing Documents, as they pertain to such Owner's Parcel and/or any Owner's use of any other Owner's Parcels in connection with the easements granted herein. Notwithstanding the foregoing, each Owner shall have the right to contest by appropriate legal or administrative proceedings diligently conducted in good faith, the validity or application of any such Legal Requirement and may delay compliance until a final decision has been rendered in such proceedings and appeal is no longer possible, unless such delay would render the Project, Building or Improvements, or any portion thereof, liable to forfeiture, involuntary sale or loss, or result in the involuntary closing of any business conducted thereon, or subject any other Owner or Occupant to civil or criminal liability, in which case the contesting Owner shall immediately take such steps as may be necessary to prevent any of the foregoing, including posting bonds or security or complying with such law, ordinance or regulation. The contesting Owner shall indemnify, defend and hold all other Owners harmless from and against any and all claims, loss, cost, damage, liability, injury or expense of any kind or nature (including without limitation reasonable attorneys' fees) arising out of or in connection with such contest. No Owner shall request any change in or modification of any presently existing governmental approval, including, but not limited to the Governing Documents, if such change or modification would in any way materially and adversely affect the rights of any other Owner under such existing approval with respect to the easements granted hereby, without the prior written consent of all adversely affected Owners, which consent may be withheld in the sole and absolute discretion of such Owners.

3.4 Operation, Maintenance, Repair and Replacement.

A. General Obligations. Except as otherwise provided in Section 3.5 below, each Owner whose Parcel is burdened by an easement or similar grant provided in this Agreement shall, at such Owner's sole cost and expense, if applicable, operate, maintain, insure, repair and replace the portion of its Parcel burdened by such easement or grant (including the easement area and any Improvements thereon) in the manner and to the extent necessary to ensure that such part of its Parcel is operated and maintained in good condition at all times and in a condition sufficient to support the intended uses of all such easements as specified in this Agreement at all times. In addition to the foregoing, each Owner installing, operating, maintaining, repairing or replacing any Improvements located on any other Owner's parcel pursuant to any easement or rights granted hereunder shall ensure that all such activities are performed in a good and workmanlike manner and in a manner sufficient to cause such Improvements to be operated and maintained in good condition and otherwise operated in accordance with the terms of this Agreement at all times. Each Owner whose Parcel adjoins another Parcel (either vertically or horizontally) agrees, if requested in writing by the Owner owning an adjoining Parcel, to reasonably cooperate and coordinate with such Owner in the installation, monitoring and management of the life and fire safety systems installed on or within such Parcel or Parcels. Nothing in the foregoing, however,

shall be deemed to require any Owner to install, monitor or manage a particular type of fire or life safety system or systems, or to install, operate, manage or maintain any fire or life safety systems beyond the systems required by applicable laws and regulations. The Owner whose Parcel is burdened by an easement or similar grant provided in this Agreement may make, at its expense, improvements to any facility in such an easement, provided such improvements do not materially interfere with the use, operation or maintenance of such facility.

B. Specific Obligations. Notwithstanding Section 3.4(A) above, responsibility for the installation, operation, maintenance, insurance, repair and replacement of the following easement areas and Improvements shall be as follows:

(i) Communication Conduits and Cabling: Utilities. In the case of easements for Communication Systems and/or Utilities: (a) where only one Parcel is benefited by such easement or other similar grant provided in this Agreement, then the Owner whose Parcel is benefited shall operate, maintain, insure (to the extent coverage is available under an all risk of physical loss policy), repair and replace the physical facilities and equipment installed in such easement (e.g., the pipelines, wire, fiber, conduit, cable, etc.), but not the underlying area of the burdened Parcel (which shall be covered by the owner of such Parcel as provided in Section 3.4(A) above), in the manner and to the extent necessary to ensure that such facilities and equipment are operated and maintained in good condition at all times; and (b) where more than one Parcel is benefited by such easement or other similar grant provided in this Agreement, then the Owner on whose Parcel the easement is located shall operate, maintain, insure (to the extent coverage is available under an all risk of physical loss policy; provided, however, that if such Owner's Parcel is not benefited by such easement and/or in the event such coverage cannot be procured by that Party, then such Party on whose Parcel the easement is located shall designate, by written notice to all benefited Owners, which benefited Owner shall insure the easement, provided that the cost thereof shall be equitably allocated among the Parcel Owners benefited by such easement), repair and replace the portion of the physical facilities and equipment installed in such easement within its Parcel (e.g., the pipelines, wire, fiber, conduit, cable, etc.), in the manner and to the extent necessary to ensure that such facilities and equipment are operated and maintained in good condition at all times, but the cost thereof shall be equitably allocated among the Parcel Owners benefited by such shared Communication Systems or Utilities.

(ii) Foundations. Each Owner, at its sole cost and expense, shall maintain, insure (to the extent coverage is available under an all risk of physical loss policy), repair and replace (except in the case of a Permitted Nonrestoration Circumstance) the portions of its Building foundations and other Improvements located on any other Owner's Parcel, so that such items are in good condition at all times.

(iii) Rights of Owner of Underlying Parcel. Notwithstanding anything to the contrary in this Section, if the Owner(s) responsible for operating, maintaining, insuring, repairing and replacing any easement (including facilities located thereon) or similar grant (a) fails to commence the proper maintenance, repair or replacement of such benefited Owner's physical facilities or equipment located in such easement area within fifteen (15) days after written notice from the Owner on whose Parcel the easement is located that such failure is materially interfering with such Owner's use and enjoyment of its Parcel, or after commencing such Work fails to diligently prosecute such Work to completion within a reasonable time, or (b) the Owner(s)

responsible for operating, maintaining, insuring, repairing and replacing such easement or similar grant is/are otherwise unable or unwilling to perform immediately an emergency repair or replacement after the occurrence of an emergency that threatens life or property, then the Owner on whose Parcel the easement is located may perform such reasonably necessary maintenance, repair or replacement work and the Owner(s) whose Parcel(s) are benefited shall reimburse the Party on whose Parcel the easement is located for the reasonable costs thereof within thirty (30) days after receipt of an invoice for such work; provided, however, that no Party shall be obligated to share costs of Work pursuant to this Section 3.4(B)(iii) following the occurrence of a Permitted Nonrestoration Circumstance with respect to its own Parcel(s).

3.5 Shared Maintenance and Operating Charges. Notwithstanding Section 3.4 above, the parties hereto agree that multiple Owners shall pay the Maintenance and Operating Charges relating to the use of those easements granted under Sections A(i) through A(xi), inclusive, of this Agreement and Sections D(i) through D(ii), inclusive, of this Agreement. The Maintenance and Operating Charges relating to the use of such easements shall be allocated and paid as follows:

3.5.1 Maintenance and Operating Charges shall be equitably allocated based upon use by Permittees of each applicable Owner, or such other formula as the affected Owners may agree upon.

3.5.2 The Owners shall cooperate with each other to determine and reevaluate such allocation from time to time upon request by any Owner, but not less frequently than on an annual basis.

3.5.3 Any Owner responsible for payment of Maintenance and Operating Charges shall pay its share of such costs to the billing Party ("Billing Party") within thirty (30) days after receipt of a statement from the Billing Party showing the amount payable by such other Owner (determined in accordance with this Section) together with appropriate supporting information. All invoices shall be subject to audit by the billed Owner.

ARTICLE 4

PUBLIC AREAS

4.1 Use and Operation. Except as otherwise provided herein, each Owner covenants to keep any portion of its respective Parcel that constitutes a Public Area open and available for the accommodation and passage of pedestrians or vehicles, as applicable, at all times during their respective operating hours, which shall be reasonable; provided, however, that (a) the Owners may impose rules and regulations with respect to the use thereof as provided in Section 3.2A, and (b) access to and use of the Public Areas is subject to reasonable limitations on access and other reasonable restrictions (including temporary closure of portions thereof for emergency, maintenance and repairs or special events being held at or adjacent to the Project) imposed by the applicable burdened Owner in its operation of its applicable Parcel(s).

4.2 Standards of Maintenance. Except as otherwise provided herein, the Owner responsible for maintenance of a Public Area shall maintain that area in good condition at all times. All Improvements repaired or replaced by any Owner shall be repaired or replaced with

materials, equipment, apparatus and facilities of quality equal or superior to the quality of the materials, equipment, apparatus and facilities repaired or replaced and so as to maintain the architectural and aesthetic quality as well as the physical condition of the Improvements as a whole. Each Owner's responsibilities under this Section shall include but not be limited to the following:

A. Paved Areas. Maintaining all sidewalks, driveways, delivery areas, curbs and other surface areas of the Public Areas and public sidewalks in a smooth and evenly covered condition, including, without limitation, cleaning, sweeping, repainting, repairing and resurfacing, using surfacing material of a quality equal or superior to the original surfacing material.

B. Debris and Refuse. Removal of all papers, debris and refuse and washing or sweeping surfaces to the extent necessary to keep the Public Areas in a clean and orderly condition.

C. Signs and Markers. Placing, installing, keeping in repair, replacing, relamping and repainting any appropriate identity and directional signs, markers and graphics for the Project or any Public Areas.

D. Lighting. Operating, keeping in repair, cleaning and replacing when necessary such lighting facilities as may be reasonably required in the Public Areas.

E. Landscaped Areas. Cleaning and maintaining all landscaped areas, repairing automatic sprinkler systems or water lines, weeding, pruning, fertilizing and replacing shrubs and other landscaping in the Public Areas as necessary.

F. Fire and Life Safety Systems. Repairing and maintaining in good operating order all fire detection, warning, suppression systems and apparatus and all life safety systems constituting part of the Public Areas. Nothing in the foregoing, however, shall be deemed to require any Owner to install, monitor or manage a particular type of fire or life safety system(s), or to install, operate, manage or maintain any fire or life safety systems beyond the systems required by applicable laws and regulations.

G. Utilities. Maintaining, cleaning, repairing and replacing any and all Utility systems constituting part of the Public Areas.

H. Obstructions. Keeping the Public Areas free from obstructions not required or permitted hereunder.

I. Legal Requirements. Complying with all Legal Requirements pertaining to the Public Areas and performing any repairs, alterations or additions required to be made to, or safety appliances and devices or personnel required to be maintained in or about, the Public Areas.

ARTICLE 5

MORTGAGES AND MORTGAGEE PROTECTION

5.1 Right To Encumber. Subject to the restrictions imposed in this Agreement with respect to assignment or collateral assignment, any Owner shall have the right to encumber its interest in its respective Parcel by any Mortgage, provided such Mortgage is expressly made subject and subordinate to this Agreement.

5.2 Default: Prior Claims and Obligations. Except as set forth in this Agreement, no breach or default under this Agreement, nor any entry upon a Parcel by reason of such breach or default, shall defeat or render invalid the lien of any Mortgage made in good faith and for value on any Parcel. The provisions, easements, conditions, restrictions, and covenants hereof shall be binding and effective against any Person whose title is acquired by foreclosure, deed in lieu of foreclosure, trustee' sale, or otherwise; provided, however, that, except as set forth in this Agreement, a Mortgagee which takes title to a Parcel pursuant to foreclosure of its Mortgage, or any purchaser at a foreclosure or trustee's sale under a Mortgage, shall take such Parcel free of any prior claims, obligations or charges under this Agreement, including any obligation to repair or restore (or to contribute to the repair or restoration of) any damage or destruction to or Condemnation of the Property or any portion thereof occurring prior to the taking of title to such parcel by such Mortgagee or purchaser.

5.3 Notice to Mortgagees. The Mortgagee under any Mortgage affecting a Parcel shall be entitled to receive concurrent notice of any default by any Owner hereunder, provided that such Mortgagee shall have delivered written request for such notice of default to the Owner from whom the Mortgagee wishes to receive such notice of default, specifying both the Mortgagee's name and address and the name of the Owner as to whose default the Mortgagee wishes to receive such notice. Failure of a Owner to deliver a concurrent copy of such notice of default to the Mortgagee shall not affect in any way the validity of the notice of default as it relates to the defaulting Owner, but in any subsequent proceedings arising from the notice of default without the requested concurrent notice to the Mortgagee, the interest of the Mortgagee and its lien upon the affected Parcel shall not be affected in any way until such time as it has received proper notice. Any such notice to a Mortgagee shall be given in the same manner as provided in Section 17.2. The giving of any notice of default or the failure to deliver a copy to any Mortgagee shall in no event create any liability on the part of the Person so declaring a default.

5.4 Right To Cure. In the event that (a) any Owner gives notice to any other Owner of the default of such other Owner under this Agreement, and (b) the defaulting Owner fails to cure or to commence to cure such default as provided in this Agreement, then any Mortgagee under any Mortgage affecting the Parcel of the defaulting Owner which has requested notice pursuant to Section 5.3 shall be entitled to receive an additional notice from the Owner giving the original notice, given in the manner provided in Section 5.3, stating that the defaulting Owner has failed to cure such default. Following the delivery of the additional notice, provided, such Mortgagee shall have thirty (30) days after the receipt of said additional notice to cure such default, or, if such default cannot be cured within thirty (30) days, to commence curing within such time and diligently cure within a reasonable time thereafter. Mortgagees may jointly or singly pay any sum or take any other action reasonably

necessary to cure any default of their Mortgagors hereunder with the same effect as cure by the Mortgagor itself.

5.5 Amendment. No amendment to this Agreement made without the consent of any Mortgagee of any Parcel shall be binding upon it or its successors in interest should it become an Owner.

5.6 Condemnation or Insurance Proceeds. Except as otherwise expressly set forth in this Agreement, the rights of any Mortgagee, pursuant to its Mortgage, to receive Proceeds which are otherwise payable to such Mortgagee or to an Owner which is its Mortgagor shall not be impaired.

5.7 Title by Foreclosure. Except as otherwise expressly set forth herein, all of the provisions contained in this Agreement shall be binding upon and benefit any Person who acquires title to a Parcel by foreclosure, trustee's sale, deed in lieu of foreclosure or otherwise under a Mortgage.

5.8 Modification of Article: Conflicts. No Owner shall unreasonably withhold its consent to such modifications of this Agreement as are reasonably requested by a Mortgagee, provided that the rights of any such Owner will not be materially impaired, diminished, limited or delayed, nor the obligations of such Owner increased in any material respect as a result of such modifications. If there is any conflict between this Article 5 and any other provision contained in this Agreement, this Article 5 shall control.

ARTICLE 6

INDEMNIFICATION AND INSURANCE

6.1 Indemnities. Except as expressly provided in Section 6.5, each Owner shall indemnify, defend and hold the other Owners harmless from and against any and all claims, expenses, liabilities, loss, damages and costs, including, without limitation, court costs and reasonable attorneys' fees (in this ARTICLE 6, such claims, costs, expenses and liabilities are collectively referred to as "Loss"), arising from, due to or as a result of the negligence or willful misconduct of the indemnifying Owner or its contractors, agents or other authorized representatives in the exercise or use of the easements or other rights granted by this Agreement, except to the extent such Losses (i) result from the negligence or willful act or omission of the indemnified Owner or its contractors, agents or other authorized representatives, and/or (ii) are mutually released under Section 6.5, but only to the extent of such release, and/or (iii) are covered by Section 8.3, in which case Section 8.3, as applicable, shall control. The provisions of this Section shall survive the expiration or sooner termination of this Agreement with respect to any claims or liability arising in connection with any event occurring prior to such expiration or termination.

6.2 Insurance.

A. By the Owners. During the term of this Agreement, each Owner shall maintain or cause to be maintained on (and with respect to) any Parcel owned by said Owner and the Improvements located thereon (i) a general liability ("GL") insurance with limits of not less than Fifty Million Dollars (\$50,000,000) per occurrence (such limits may be satisfied by any combination of primary and umbrella limits), (ii) all risk property insurance policy in an amount not less than the full replacement cost for the Improvements located on said parcel (to the extent the components are insurable) for coverage for any occurrence on its Parcel or Building, including to the extent required to be insured pursuant to Section 3.4, any Public Areas located on its Parcel, with commercially reasonable terms and conditions, and (iii) earthquake and terrorism insurance policies to the extent available on commercially reasonable terms and commercially reasonable rates.

B. Policy Requirements. The GL insurance required under Section 6.2A shall name all other Owners (including, if requested by any Owner, any ground lessee of such Owner) as additional insureds thereunder. Upon request, each Owner shall furnish a certificate of insurance or other evidence of such insurance to the other Owners at least five (5) days prior to the effective date of any such policy to evidence that the insurance required by this ARTICLE 6 is in full force and effect and furnishing entity shall endeavor to provide at least thirty (30) days' prior notice of any cancellation or termination of such policy to each certificate holder.

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6.3 Blanket Insurance. Any Owner may carry the insurance described in Section 6.1 under a policy or policies covering other liabilities and locations of such Owner, or a subsidiary, successor, affiliate or controlling corporation of such Owner, so long as the coverage substantially complies with the requirements of this Agreement.

6.4 Form of Policies. The policies of insurance required under this ARTICLE 6 shall in no event limit the liability of the Owners under this Agreement. Each insurance policy required hereunder shall (i) be issued by an insurance company having a Best's rating of at least A-VII or equivalent and licensed or eligible to do business in the State of California; (ii) be primary insurance to the extent of the indemnity obligations in Section 6.1 as to all claims thereunder and provide that any insurance carried by the non-insuring Owner is excess and is non-contributing with any insurance requirement of the insuring Owner; (iii) be on commercially reasonable terms and conditions; (iv) provide that said insurance shall not be reduced in limits, terminated or canceled unless thirty (30) days' prior written notice shall have been given to the named insured(s), and (v) shall contain deductible and/or self insured retention amounts that do not exceed at the time obtained or renewed what would then be commercially reasonable and customary deductibles and/or self insured retentions for insurance policies covering facilities similar in use, size and nature of risks to the facilities and risks covered by such policies.

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6.5 Mutual Releases: Waiver of Subrogation. Notwithstanding Section 6.1, each Owner for itself and, to the extent it is legally possible for it to do so on behalf of its insurer and without affecting the coverage required to be maintained hereunder, hereby releases and waives any right to recover against the other Owners by reason of any damage to property to the extent such damages and/or claims are covered by property insurance (and only to the extent the proceeds of such coverage are actually available and paid to such Owner, exclusive of deductibles) actually carried by each Owner. No Owner shall be liable to any other Owner for such covered loss or damage, irrespective of any negligence on the part of such Owner which may have contributed to

such loss or damage. The provisions of this Section are intended to restrict each Owner and each Occupant (to the extent permitted by law) to recovery against insurance carriers to the extent of such coverage, and to waive fully, and for the benefit of each, any rights and/or claims which might give rise to a right of subrogation in any insurance carrier. Each Owner shall, to the extent such insurance endorsement is available, obtain or cause to be obtained, for the benefit of the other Owners, a waiver of any right of subrogation which the insurer of such Owner might acquire against any other Owner by virtue of the payment of any loss covered by such insurance. In the event any Owner is by law, statute or governmental regulation unable to obtain a waiver of the right of subrogation for the benefit of each other Owner, then, during any period of time when such waiver is unobtainable, said Owner shall be deemed not to have released any subrogated claim of its insurance carrier against the other Owners, and during the same period of time each Owner shall be deemed not to have released the other Owner who has been unable to obtain such waiver from any claims they or their insurance carriers may assert which otherwise would have been released pursuant to this Section. In the event that any Owner is unable to obtain such waiver of the right of subrogation for the benefit of any other Owner or Owners, such Owner shall, within thirty (30) days of receiving notice of such inability, give each other Owner written notice of such inability.

6.6 Failure to Maintain Insurance. If an Owner fails to maintain the insurance required to be maintained by it under the terms of this Agreement, then each such failure shall constitute an Event of Default hereunder, and each other Owner shall have all rights and remedies hereunder, at law or in equity arising from such Event of Default.

6.7 Modifications in Limits. From time to time under this Agreement, each Owner may propose to the other Owners that the policy limits set forth in this Agreement be increased or decreased, in order to bring such policy limits into conformity with the limits customarily maintained for similar agreements, including those located in Southern California. If the Owners are able to agree upon an increase or decrease, the modified limits they agreed upon shall supersede those set forth in this Agreement. If the Owners are not able to agree upon a proposed increase or decrease within 30 days after its proposal, then the matter shall be resolved through the procedure set forth in Section 6.8 below, based upon the limits customarily maintained for similar agreements, including those located in Southern California. Policy limits established pursuant to this ARTICLE 6 shall not be increased or decreased during the first five years after the Effective Date of this Agreement or more frequently than once every five years thereafter, unless a significant change in the law or in the insurance industry makes an intervening increase or decrease necessary or equitable under the circumstances. In considering any proposed modification to policy limits, the parties shall consider the frequency and nature of past claims.

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6.8 Certain Determinations. If the Owners are not able to agree upon a proposed increase or decrease within 30 days after its proposal, then the Owners agree to abide by the findings and recommendations of a reputable, independent risk management consultant who is experienced with similar agreements, including agreements in the southern California area, and who is acceptable to the Owners. An independent risk management consultant is a risk management consultant who has no affiliation with any insurance company or insurance broker and who does not receive any wages, commissions or similar compensation from any insurance company or insurance broker. Each Owner shall each pay a proportionate amount of the fees,

expenses and other costs incurred in connection with the selection and engagement of the independent risk management consultant.

ARTICLE 7

DAMAGE AND DESTRUCTION

7.1 Restoration Obligation.

A. Owner's Duties. In the event of a casualty that results in damage or destruction to the Improvements on a Parcel or to areas containing or constituting an easement granted in this Agreement on any Parcel, the Owner owning such Parcel, shall, at its cost (whether insured or uninsured), restore, repair, rebuild or replace the damaged or destroyed Improvements substantially to their condition immediately prior to the casualty event, as soon as reasonably practicable, provided, however, such obligation shall not apply to a Permitted Nonrestoration Circumstance. Notwithstanding the foregoing, the Owner owning such Parcel shall not, as a result of this Section 7.1A, be obligated to restore, repair, rebuild or replace any damaged or destroyed facilities or equipment installed or used by a benefited Owner in an easement area on such Parcel unless (a) the Owner owning such Parcel owned such facilities or equipment or has responsibility to restore, repair, rebuild or replace such facilities or equipment under the other terms of this Agreement, and (b) such restoration, repair, rebuilding or replacement is necessary in order for the Owner(s) that benefit(s) from such easement area to use and enjoy such easement area and such benefited Owner(s) actually used such facilities and equipment prior to such damage or destruction. Notwithstanding any contrary provision in this Agreement, if the Owner whose Parcel is burdened by an easement granted in the Agreement or the Owner who is the otherwise obligated to repair and restore the damaged or destroyed easement area or any Improvements supporting or constituting an easement area, fails to or elects not to (including in case of a Permitted Nonrestoration Circumstance or pursuant to Section 7.6 hereof) promptly commence and thereafter diligently pursue and complete the proper restoration, repair, rebuilding or replacement of such damaged or destroyed Improvements as required hereunder, then any Owner which benefits from such damaged easement may give written notice to the non-performing Owner that such failure or election not to restore, repair, rebuild or replace (as the case may be) is materially interfering with such Owner's use and enjoyment of its Parcel and that if such Work is not commenced, or recommenced, within sixty (60) days after receipt of such notice the notifying Owner intends to undertake such Work on behalf of, and at the cost of, the non-performing Owner (but only to the extent (i) no Permitted Nonrestoration Circumstance has occurred with respect to the non-performing Owner's Parcel(s) or (ii) such costs are not the responsibility of another Owner under the terms of the Agreement) and the Owners benefited by such damaged or destroyed Improvements and/or easement area, and if the non-performing Owner does not commence, or recommence, such Work within sixty (60) days after receipt of such notice, then the Owner who provided the notice shall have the right to enter upon the damaged or destroyed Parcel and perform such reasonably necessary restoration, repair, rebuilding or replacement for the use and enjoyment of such benefited Owner. Notwithstanding the foregoing, if an emergency occurs that requires the immediate restoration, repair, rebuilding or replacement of such damaged or destroyed Improvements and/or easement area or equipment or facilities located therein (which would

otherwise be subject to repair, rebuilding or replacement hereunder) as reasonably determined by an Owner who benefits from such damaged easement and the Owner whose Parcel is burdened by such easement is not available or is otherwise unable or unwilling to perform such emergency repair, rebuilding or replacement, then the Owner who reasonably determined that the damaged easement requires immediate restoration, repair, rebuilding or replacement shall have the right to enter upon the damaged or destroyed Parcel and perform such reasonably necessary restoration, repair, rebuilding or replacement immediately following a reasonable attempt to notify and give the Owner whose Parcel is burdened by such damaged or destroyed easement an opportunity to perform such emergency restoration, repair, rebuilding or replacement. The Owner whose Parcel is burdened (to the extent required by this Agreement) and the Owners benefited by such damaged or destroyed Improvements and/or easement area shall reimburse the Owner who performed such restoration, repair, rebuilding or replacement for the reasonable costs thereof within sixty (60) days after receipt of an invoice therefor. In the case of an easement area whose restoration, repair, rebuilding, or replacement costs are allocated pursuant to ARTICLE 3, such costs shall be reimbursed to the Owner who performed such restoration, repair, rebuilding or replacement in accordance with ARTICLE 3 within sixty (60) days after receipt of invoice thereof. Nothing in this Section shall be deemed to be a waiver or release of any liability that any Owner may have if it is otherwise legally responsible for all or any portion of the damage or destruction of Improvements on a Parcel or an easement area or any facilities or equipment in such easement area.

B. Insurance Proceeds. Except for a Permitted Nonrestoration Circumstance, any insurance proceeds available to or received by an Owner for damage or destruction to Improvements on such Parcel shall be applied to the restoration, repair, rebuilding or replacement of such damaged or destroyed Improvements by the Owner that is the owner of such Parcel.

7.2 Damage to or Destruction of Public Areas. In the event of damage or destruction of the Public Areas or any portion thereof (whether insured or uninsured), unless the damage or destruction constitutes a Permitted Nonrestoration Circumstance, the Owner upon whose Parcel such damaged or destroyed Public Area is a part, shall promptly commence and thereafter diligently complete the restoration, repair, rebuilding or replacement of the Public Areas within its Parcel, including any equipment or facilities therein if such restoration, repair, rebuilding or replacement is necessary for the use and enjoyment of such Public Area and an Owner actively used and enjoyed such Public Area prior to such damage or destruction. If a Public Area encompasses two or more Parcels, then the costs related thereto shall be shared among the owners of the affected Parcels equitably based on the relative extent of damage and required repairs to the affected Parcels. Nothing in this Section shall be deemed to be a waiver or release of any liability that any Owner may have if it is otherwise legally responsible for all or any portion of the damage or destruction of the Public Area. The provision of Section 7.1 hereof shall apply to any failure of an Owner to promptly commence and thereafter diligently complete the restoration, repair, rebuilding or replacement of the Public Areas within its Parcel, including any equipment or facilities therein. Notwithstanding any contrary provision of this Section 7.2, no Owner shall be obligated to perform restoration, repair, rebuilding or replacement, or to contribute to the cost thereof, following the occurrence of a Permitted Nonrestoration Circumstance with respect to its Parcel(s).

7.3 Quality of Restoration and Reconstruction. The restoration or reconstruction of any Parcel, Improvements, any area containing an easement, or any portion thereof, which is required by this Agreement, shall substantially preserve and satisfy the purpose of any easement(s) thereon, modified as may be required by applicable laws (including building codes and regulations) then in effect. The restoration, repair, rebuilding or replacement of the Public Areas and any area containing an easement shall be substantially in accordance with the original As-Built Plan therefor, modified as may be required by applicable building codes and regulations then in effect. Except for changes mandated by Legal Requirements, all modifications in or deviations from such original As-Built Plans for any easement area of the Public Area shall be subject to the prior written approval of the Owners that benefit from an easement in such damaged or destroyed Parcel and that will be materially and adversely affected by such modifications, which approval shall not be unreasonably withheld, conditioned or delayed.

7.4 Safety. Notwithstanding anything to the contrary herein, promptly after the occurrence of any damage or destruction on any Improvement on any Parcel, the owner of such Parcel shall take all reasonable measures necessary to secure the damaged or destroyed area from unauthorized access and to remove or render safe any safety hazards thereon that impair access to or use of any other parcel in the Project, and in the case (i) of a Permitted Nonrestoration Circumstance or (ii) a (A) Mortgagee (or its designee), or (B) purchaser at a foreclosure sale pursuant to a Mortgagee, or (C) subsequent purchaser from a Mortgagee (or its designee), which acquires title to a Parcel by reason of foreclosure, by deed in lieu of foreclosure, or after a leaseback in a sale and leaseback terminates by reason of a default, that is not required pursuant to Section 7.6A below to restore, repair, rebuild or replace damage or destruction to its Parcel or Improvements, or an portion thereof, and elects not to restore, repair, rebuild or replace damage or destruction to its Parcel or Improvements, then the Owner that is the owner of such Parcel with respect to (i) or (ii) above shall clear the damaged or destroyed portion of the Parcel of all debris and unsafe conditions.

7.5 Liability of Mortgagee. Notwithstanding any other provision of this Agreement to the contrary, the provisions of this ARTICLE 7 shall be applicable to a Mortgagee as provided in this Section.

A. Where a Mortgagee (or its designee) or a purchaser at a foreclosure sale pursuant to a Mortgage or subsequent purchaser from a Mortgagee (or its designee) acquires title by reason of foreclosure, or by deed in lieu of foreclosure, or where a leaseback in a sale and leaseback terminates by reason of a default, and such Parcel is subsequently damaged or destroyed during the period of ownership of such Parcel or Improvement by such Mortgagee, designee or purchaser, such Mortgagee, designee or purchaser shall only be obligated to restore, repair, rebuild or replace a Parcel or Improvement if the damage or destruction does not constitute a Permitted Nonrestoration Circumstance and to the extent required by this ARTICLE 7. Where a Parcel is damaged or destroyed by a peril included within the risks required to be insured against under this Agreement, and the damage or destruction occurs prior to the foreclosure sale, conveyance or termination of a sale and leaseback, any Mortgagee (or its designee) or purchaser at a foreclosure sale pursuant to a Mortgage or subsequent purchaser from a Mortgagee (or its designee) who so acquires title shall be obligated to repair or restore the damaged Parcel or Improvement in accordance with this Agreement to the extent of the insurance proceeds actually paid therefor and

received by such Mortgagee, designee or purchaser unless such damage or destruction constitutes a Permitted Nonrestoration Circumstance; and

B. Nothing in this Section 7.5 shall be construed to relieve the original Owner whose interest has been so acquired by a Mortgagee (or its designee) or by a purchaser at a foreclosure sale, of its obligations under Section 7.1, or as terminating any other Owner's rights under Section 7.1.

ARTICLE 8

CONSTRUCTION, REPAIRS, RESTORATION AND ALTERATIONS

8.1 General.

A. Effect on Other Parcels. Any Owner undertaking Work shall take all necessary measures to minimize any damage, disruption or inconvenience caused by such Work to the Occupants of any affected Parcels or Buildings (including the Parcel(s) on which the Work is performed), and shall make adequate provisions for the safety and convenience of all Occupants and Permittees of such Parcels or Buildings.

B. Repair of Damage; Restoration. Any Owner undertaking Work shall promptly repair at its own cost and expense any and all damage caused thereby and shall restore the affected portion of the Parcel upon which its Work is performed to a condition equal or superior to the condition existing prior to beginning the Work.

C. Coordination; Non-Interference. Each Owner, as respects its respective Work, shall use all reasonable efforts to cause its architects and contractors to cooperate with and coordinate its Work with the other Owners, as applicable, and the architects, contractors and Work of the other Owners. Each Owner shall perform its respective Work so as not to unreasonably interfere with (i) any Work being performed on the remainder of the Project or any part thereof, or (ii) the use, occupancy or enjoyment of the remainder of the Project or any part thereof.

D. Payment of Costs. Subject to the other terms of this Agreement, each Owner shall be responsible for the payment of costs for Work performed by it on its Parcel or on any other Parcel in connection with the exercise of its easement rights herein granted. Each Owner shall keep its Parcel and all other Parcels free from any and all liens arising out of any Work performed, materials, services or equipment furnished to, or obligations incurred in connection with the performance of any Work by that Owner.

E. Notices of Nonresponsibility. Any Owner upon whose Parcel any Work is to be performed by or on behalf of another Owner shall have the right, if appropriate, to post such notices of nonresponsibility and other notices as may be required to give notice that such Owner shall not be responsible for payment therefor.

F. Emergency Work. Notwithstanding any requirement for prior notice or approval contained in this Agreement, in the event of an emergency condition threatening life or

property, any Owner may undertake the necessary Work to remedy the emergency condition, provided that such Owner does so in good faith, gives notice thereof to the Owner owning any Parcel affected by the Work upon the occurrence of the emergency condition or as soon thereafter as reasonably possible, and otherwise conforms to the applicable provisions of this ARTICLE 8, to the extent feasible under the circumstances.

8.2 Alterations; Additional Construction. Except as otherwise provided herein, no Owner shall make or permit to be made any alterations, changes, enlargements, improvements, additions, replacements or new Improvement, including, without limitation, any restoration, reconstruction or new construction after a casualty event (collectively, "alterations") in or to that Owner's Parcel or Building or any Improvements located on any other Owner's Parcel which would (i) materially alter any Public Areas or easement areas contained within such Parcel or Building (unless reasonably equivalent easement areas are provided to the benefited Owner at the burdened Owner's expense), (ii) unduly interfere with the exercise by any other Owner of the easement rights created herein (including vehicular and pedestrian ingress and egress rights and the use of all Improvements and facilities constructed in connection with such easement rights) (iii) impose an additional material obligations on the Owner using an easement hereunder, (iv) materially increase the use of such easements beyond the uses contemplated on the effective date of this Agreement, or (v) materially increase the obligations of any other Owner without the prior written consent of each Owner whose Parcel or easement rights will be affected, which consent may be withheld in the sole discretion of such Owners; provided that clauses (i) through (iv) above shall not apply to alterations required by applicable laws (including building codes and regulations) or in the event of an emergency threatening life or property. Subject to the foregoing, each Owner may (x) construct within its Parcel or Building additional improvements; and (y) remodel and reconstruct existing improvements within its Parcel or Building, in each case without the need for the consent of other Owners.

8.3 Construction Indemnities. Any Owner undertaking Work on a Building or Parcel that is not owned by it shall pay all costs and expenses associated therewith and shall indemnify, defend and hold all other Owners and the Parcel of each other Owner harmless from any and all claims, loss, cost, damages, liability, injury or expense (including, but without limitation, reasonable attorneys' fees, costs and disbursements) caused by or arising from any mechanics' lien or other claim regarding materials supplied or work performed or the death of, or accident, injury, loss or damage caused to any natural Person, or to the Property of any Person, as shall occur by reason of the performance of any Construction by or at the request of the indemnitor, except for claims caused by the negligence or willful act or omission of the indemnitee, its licensees, concessionaires, agents, servants or employees. The indemnitee shall give the indemnitor notice of any suit or proceeding entitling the indemnitee to indemnification pursuant to this Section and the Indemnitor shall defend the indemnitee in such suit or proceeding with counsel approved by the indemnitee.

ARTICLE 9

DEFAULTS AND REMEDIES

9.1 Legal and Equitable Relief. Upon any Event of Default by an Owner under this Agreement, each non-defaulting Owner shall have the right to prosecute any proceedings at law or in equity against such Owner hereto, or against any other person, in order to prevent or restrain any violation or attempted violation of or default in the provisions of this Agreement, and to recover damages therefor. The remedies available under this Section 9.1 shall include, by way of illustration but not limitation, temporary restraining orders obtained with or without notice, preliminary injunctions and permanent injunctions enjoining any such violation or attempted violation or default, and actions for specific performance of this Agreement.

9.2 Right to Cure. After the occurrence of an Event of Default with respect to an Owner, a non-defaulting Owner shall have the right, but not the obligation, upon 20 business days written notice, to cure such Event of Default for the account of and at the expense of the defaulting Owner; provided, however, that (a) in the event of emergency conditions constituting default, a non-defaulting Owner acting in good faith shall have the right to cure such default upon such advance notice as is reasonably possible under the circumstances or, if necessary, without advance notice, so long as notice is given as soon as possible thereafter, and (b) the defaulting Owner shall have such additional period of time as it may reasonably need to effect a cure so long as it commences such cure within such 20-day period and thereafter diligently prosecutes such cure to completion. Any notice hereunder shall specify with reasonable particularity the nature of the default claimed and shall set forth in detail the action which the non-defaulting Owner proposes to take or has taken in order to cure the claimed default. A non-defaulting Owner shall have the further right to recover from the defaulting Owner all costs or other sums expended in connection with the cure of the default hereunder, plus interest thereon at the maximum rate allowed by law. A non-defaulting Owner shall have the right to recover such costs or other sums from the defaulting.

9.3 Costs of Cure. All costs and expenses reasonably incurred by a non-defaulting Owner to cure an Event of Default of a defaulting Owner under the provisions of this Agreement, together with interest thereon at the maximum rate allowed by law, and all costs and expenses of any proceedings at law or in equity, including reasonable attorneys' fees awarded to the non-defaulting Owner by a court in any proceeding pursuant to Section 9.3 shall be assessed against and paid by the defaulting Owner.

9.4 Remedies Cumulative. The rights and remedies given to any Owner by this Agreement shall be deemed to be cumulative and no one of such rights and remedies shall be exclusive of any of the others, or of any other right or remedy at law or in equity (except as otherwise provided in this Agreement) which any such Owner might otherwise have under this Agreement, and the exercise of one such right or remedy by any such Owner shall not impair such Owner's standing to exercise any other right or remedy.

9.5 No Consequential Damages. Except as otherwise specifically set forth in this Agreement, whenever an Owner has a right to damages for the default of another Owner: (a) such damages shall be limited to direct (actual) damages for the default of any other Owner under this Agreement; and (b) each of the Owners, on behalf of itself and its successors and assigns, hereby expressly waives, releases and relinquishes any and all right to any expectation, anticipation, indirect, consequential, exemplary or punitive damages.

9.6 No Termination. No breach, default or Event of Default by any Owner under this Agreement shall entitle any other Owner to cancel, rescind or otherwise terminate this Agreement, provided that such limitation shall not affect any other rights or remedies that any Owner may have by reason of such default.

9.7 Waiver of Default. No waiver by any Owner of any default under this Agreement shall be effective or binding on such Owner unless made in writing by such Owner, and no such waiver shall be implied from any omission by an Owner to take action in respect to such default. No express written waiver of any default shall extend to any default or period of time other than the default and/or period of time specified in such express waiver, or constitute a waiver of any subsequent default in the performance of the same provision or any other term or provision contained in this Agreement. The consent or approval by any Owner to or of any act or request by any other Owner requiring consent or approval shall not be deemed to waive or render unnecessary the consent to or approval of any subsequent similar acts or requests.

ARTICLE 10

CONDEMNATION

10.1 Determination of Award; Allocation. Any award or other compensation for damages ("Award") for Condemnation shall be paid to the owner of the affected Parcel and their respective Mortgagees as their respective interests may appear. The allocation of any Award for any portion of an easement area shall be paid to the owner of the burdened Parcel, but any award for facilities or equipment that are located in such easement area shall be awarded to the owner(s) of such facilities or equipment. Notwithstanding the foregoing, any Owner benefited by any such easement may make a claim directly to the applicable governmental authority for any compensation attributable to such easement rights to the extent such claim does not reduce or materially adversely interfere with the Owner that is the owner of the burdened Parcel's Award. If there occurs a Condemnation of a Building or Parcel and facilities or equipment located in an easement area that are owned by Owners other than the owner of the condemned Parcel, and the condemning authority does not apportion the amount of the Award attributable to each, the affected Owners shall use good faith efforts to agree as to the manner of allocation of the award as to Buildings, Parcels and such facilities or equipment. An easement area within a Parcel shall be reconfigured as may be reasonably necessary to permit restoration or rebuilding of an affected Building located thereon after the taking by Condemnation of any material portion thereof; provided, however, that such reconfiguration shall not materially and adversely affect the use of the easement area for its intended purpose by the Owners benefitting from the easement area.

10.2 Condemnation of Easement Areas. In the event of the Condemnation of any easement area, then the Owner upon whose Parcel such Condemned easement area is a part shall, to the extent the Award available to such Owner or Owners has been released for such purpose by their respective Mortgagees, if any, and if it is economically feasible to do so, rebuild, replace and repair such easement area or provide replacement easement areas of similar kind and character, in each case in order to restore the easement areas to a condition as close as reasonably possible to that existing before such Condemnation. The foregoing notwithstanding, if any easement area that is the subject of Condemnation is not required (either by its function, by Legal Requirements, or by any governmental agency having jurisdiction over the Project) for the operation as contemplated

hereunder of such Parcels or Buildings as exist following the taking, or such easement area cannot be reasonably rebuilt, replaced or repaired, then such Owner may elect not to replace such easement area. If the easement area is to be replaced, the Owners shall devote the Award received by each Owner attributable to any taking of easement areas to provide the replacement easement areas.

10.3 Restoration of Support Elements Upon Condemnation. If any Support Elements are removed as part of a Condemnation of a part of a Parcel or any Improvement situated on a Parcel, then the Owner(s) owning such Parcel(s) that benefited from such removed Support Elements may, at their cost, rebuild, replace and repair such affected portion of the Improvements on the portion, if any, of such Parcel from which the Support Elements have been removed that is still owned by an Owner in order to restore such Support Elements to a condition as close as reasonably possible to that existing before such Condemnation, without unreasonably interfering with the use or enjoyment by the Owner which owns the burdened Parcel of the remaining portion of such Parcel.

10.4 Unresolved Issues. Any issue which is not resolved by any judgment in the Condemnation proceeding or supplemental determination therein shall be resolved among the Owners by mutual agreement.

10.5 Rebuilding. Any rebuilding or reconstruction to be performed by any Owner following the Condemnation of any portion of the Project shall be performed in accordance with the terms and conditions of this Agreement and in particular in accordance with ARTICLE 8.

10.6 Waiver of Award. Except as provided in Section 10.1, in the event a Parcel, or any part thereof, is taken by Condemnation, each Owner waives, in favor of the other Owners whose property or any part thereof is taken by Condemnation, any value of the Condemnation Award attributable to any easement which the Owner holds in the property of such other Owner and no part of such Award shall be payable to the holder of the dominant tenement by virtue of such easement. However, a waiver under this Section shall not preclude the holder of any interest in another Parcel, from claiming and collecting the severance, consequential or other damages to its own Parcel or an Award for its easement rights, resulting from the Condemnation of the portion of the other Parcel.

10.7 No Termination of Easements and Licenses. No termination under this Article of any Owner's obligations to restore, operate, and maintain as provided in this Agreement shall affect the existence of the easements granted under ARTICLE 2, except to the extent such easements burden the land taken by condemnation.

10.8 Termination of Benefits. In the event of a Condemnation of any portion of the Project, all easements appurtenant to the portion so condemned shall, upon the effective date of the taking of such portion, terminate to the extent they are appurtenant to such portion, but all easements appurtenant to any portion not so condemned shall continue, subject to any reconfiguration as provided in this ARTICLE 10. Upon the request of any Owner, all Owners shall sign and exchange an instrument in recordable form evidencing the termination of the requesting Owner's obligations pursuant to this ARTICLE 10.

10.9 Mortgagee Participation. Nothing herein contained shall be deemed to prohibit any Mortgagee from participating in any eminent domain proceedings on behalf of any Owner, or in conjunction with any Owner.

ARTICLE 11

TRANSFER OF INTERESTS

11.1 Release. If an Owner shall sell, transfer, convey or assign all of its interest in a Parcel (each, a "Transfer"), it shall, except as otherwise provided in this Agreement, be released from any future obligations hereunder from and after the effective date of such Transfer to an Owner provided that such transferring Owner or its transferee sends notice of such Transfer to all other Owners to this Agreement at the most recent address for such other Owners known to such transferor or transferee. Nothing contained in this Section shall affect the existence, priority, validity or enforceability of any lien recorded against the affected Parcel prior to the effective date of the transfer.

11.2 Assumption Statement. Concurrently with the Transfer by an Owner of all of its interest in a Parcel, the transferee shall execute and deliver to all Owners a written statement in which (i) the name and address of the transferee is disclosed, and (ii) the transferee expressly assumes and acknowledges its obligation to be bound by this Agreement and perform all obligations hereunder in accordance with the provisions of this Agreement. Failure to deliver any such written statement shall not affect the running of any covenants herein with the land as provided by Section 12.1, nor shall such failure negate, modify, or otherwise affect the liability of any transferee pursuant to the provisions of this Agreement, but such failure shall constitute a default by the transferee hereunder.

11.3 Joint Tenancies or Common Interests.

A. In the circumstances described in subparagraph (iv) of the definition of Owner, the holders of undivided interests totaling not less than fifty-one percent (51%) of the entire estate or estates in and to such Parcel in question, shall designate one of their number or another entity as such Owner's agent to act on behalf of all such Persons. If any Parcel is owned by Persons owning an undivided interest therein under any form of joint or common ownership, then in the determination of such fifty-one percent (51%) in interest, each such owner of such undivided interest shall be deemed to represent a percentage in interest of the whole of such ownership equal to its fractional interest in such Parcel.

B. In the absence of such written designation, the acts of the Owner whose interest is so divided or held in undivided interests (whether or not it retains any interest in the Parcel or Parcels in question) shall be binding upon all Persons having an interest in said Parcel in question, until such time as written notice of such designation is given and recorded in the office of the County Recorder of Los Angeles County, and a copy thereof is served upon each of the other Owners, by registered or certified mail; provided, however, in the following instances all of the other Owners, acting jointly, or in the failure of such joint action, any other Owner at any time may make such designation of an Owner's agent:

(i) If at any time after any designation of an Owner's agent, in accordance with the provisions of this Section, there shall for any reason be no duly designated Owner's agent of whose appointment all other Owners have been notified as herein provided; or

(ii) If an Owner's agent has not been so designated and such notice has not been given thirty (30) days after any other Owner shall become aware of any change in the ownership of all or any portion of a Parcel; or

(iii) If the designation of such Owner's agent earlier than the expiration of such thirty (30) day period shall be reasonably necessary to enable any other Owner to comply with any of its obligations under this Agreement or to take any other action which may be necessary to carry out the purposes of this Agreement.

ARTICLE 12

COVENANTS AND RECORDATION

12.1 Covenants Run With the Land.

A. All of the provisions, agreements, rights, powers, covenants, conditions, restrictions, easements and obligations contained in this Agreement shall be binding upon and inure to the benefit of the Owners, and their respective heirs, successors (by merger, consolidation or otherwise) and assigns, devisees, administrators, and all other Persons acquiring any Parcel or portion thereof, or any interest therein, whether by operation of law or in any manner whatsoever, unless and until modified as herein provided. All of the provisions of this Agreement shall be covenants running with the land pursuant to applicable law, including but not limited to Section 1468 of the Civil Code of the State of California. Each covenant to do or refrain from doing some act on each Parcel hereunder (i) is for the benefit of such benefited Parcel or Parcels hereunder and is a burden upon such burdened Parcel hereunder, (ii) runs with each Parcel, and (iii) shall benefit or be binding upon each successive Owner during its ownership of such Parcel or Parcels.

B. With respect to the various covenants (whether affirmative or negative) on the part of each respective Owner contained in this Agreement, which affect or bind, or are to be performed on portions of its respective Parcel, the Parcel benefited by such covenant shall, during the term of this Agreement, be the dominant estate, and the Parcel of the respective Owner, as the case may be (or if the particular covenant affects, binds, or is to be performed on less than the whole of such Parcel, then with respect to the particular covenant, such portion thereof as is affected by, or bound by the particular covenant, or on which the particular covenant is to be performed), shall, during the term of this Agreement, be the servient estate.

12.2 Recordation. This Agreement shall become effective and binding upon the Owners and their respective successors in interest in accordance with the provisions of this ARTICLE 12 upon recording of this Agreement in the official records of Los Angeles County, California.

ARTICLE 13

AMENDMENT

13.1 Method of Amendment. Except as otherwise expressly provided by this Agreement with respect to the recordation of an amendment to this Agreement identifying any As-Built Plans, the Owners agree that the provisions of this Agreement may be modified or amended, in whole or in part, only by a written instrument, executed and acknowledged by each of the Owners affected by the subject matter of the amendment, and duly recorded in the official records of Los Angeles County, California. If any proposed amendment is disapproved as provided herein, the notice of disapproval must include a written explanation setting forth the reasons for such disapproval. Nothing contained herein precludes any separate agreements between two or more Owners, including, without limitation, the grant of additional or separate easements or rights, provided that the other Owners shall not be bound or affected thereby.

13.2 No Third Party Beneficiary. Except for those provisions which are specifically for the benefit of Mortgagees, the provisions of this Agreement are for the exclusive benefit of the Owners and not for the benefit of any third Person, nor shall this Agreement be deemed to have conferred any rights, express or implied, upon any third Person, including, without limitation, any Occupant or Permittee. Except for those provisions specifically benefitting Mortgagees, it is expressly understood and agreed that the Owners specifically intend that no Occupant, Permittee or other Person shall have any right to enforce any of the provisions of this Agreement.

ARTICLE 14

TERMINATION

14.1 Termination of Agreement. This Agreement shall not terminate and shall continue so long as an Owner benefits from an easement hereunder. This Agreement shall terminate upon the earlier of (i) there shall be no Owner who benefits from an easement granted hereunder, or (ii) written agreement by all the Owners to terminate this Agreement.

ARTICLE 15

DEDICATION

15.1 Joinder in Necessary Dedications. The Owners shall, to the extent necessary and to the extent the same shall not result in the loss of compensation otherwise obtainable from condemnation, join in the execution of such instruments as may be required in order to effectuate the installation of public utilities for the benefit of the Project or any Parcel or Parcels under and across portions of their respective Parcels, the installation, operation and maintenance of which shall be in accordance with the provisions of this Agreement.

ARTICLE 16

NOTICES

16.1 Notices to Owners. Any notice, demand, request, consent, approval, designation or other communication required or desired to be given under this Agreement shall be in writing and shall be personally served with receipt acknowledged by the individual accepting service or given by (i) certified mail, return receipt requested, (ii) personal delivery, or (iii) overnight courier, to their respective addresses set forth below, and in the case of any other Owner, to the address delivered to all other Owners at the time such Owner acquires its interest in its Parcel.

To Convention Center Parcel Owner, Event Center Parcel Owner, Staples Center Parcel Owner, Bond Street Garage Parcel Owner and/or LA Live Way Garage Parcel Owner:

The City of Los Angeles

Attn: _____

To Event Center Ground Lessee:

L.A. Event Center LLC
c/o Anschutz Entertainment Group
800 W. Olympic Blvd., Suite 305
Los Angeles, CA 90015
Attention: _____

To Staples Center Ground Lessee:

L.A. Arena Land Company, LLC
c/o Anschutz Entertainment Group
800 W. Olympic Blvd., Suite 305
Los Angeles, CA 90015
Attention: _____

To Bond Street Garage Ground Lessee and/or LA Live Way Garage Parcel Owner:

L.A. Parking Structures LLC
c/o Anschutz Entertainment Group
800 W. Olympic Blvd., Suite 305
Los Angeles, CA 90015

Attention: _____

Any such notice or communication given by (i) mail shall be effective upon receipt, as evidenced by the date of receipt or refusal by the addressee, as specified on the return receipt or, if no such date is set forth on the return receipt, three (3) business days following its deposit in the United States mail, or (ii) by personal delivery or overnight courier shall be effective upon receipt, as evidenced by a signature of the addressee or its refusal to accept delivery. Any Owner may change its address for purposes of notice by giving notice of such change in the manner herein specified, which change of address shall be effective five (5) calendar days after the giving of notice thereof. If any such notice requires any action or response by the recipient or involves any consent or approval solicited from the recipient, such fact shall be clearly stated in the notice in the manner provided for in Section 17.3.

16.2 Mortgagees' Notice and Right to Cure. Each Mortgagee shall be entitled to receive notice of any default by any Owner upon whose Parcel it has a Mortgage, provided that such Mortgagee shall have delivered to each Owner a notice in the manner provided in Section 16.1 and in the form hereinafter contained. The form of such notice shall be as follows:

The undersigned, whose address is _____, does hereby certify that it is a Mortgagee, as defined in that certain Master Reciprocal Easement Agreement for the Event Center Project recorded on _____ as Instrument No. _____ in the Official Records of Los Angeles County, California (the "Agreement"), of the tract of land described on the exhibit attached hereto and made a part hereof and being the [_____] Parcel in the Project. In the event that any notice of default under the Agreement shall be given to the [_____] Parcel Owner, a copy thereof shall be delivered to the undersigned who shall have all rights of such Owner to cure such default pursuant to the terms of the Agreement. Failure to deliver a copy of such notice to the undersigned shall in no way affect the validity of the notice of default as it respects such Owner, but shall toll any applicable time period for cure by the Mortgagee, or the taking of any other action required under this Agreement with respect to the interest of the undersigned, until a copy of such notice is properly delivered to the undersigned.

Any such notice to a Mortgagee shall be given in the same manner as provided in Section 16.1. The giving of any notice of default or the failure to deliver a copy of such notice to any Mortgagee shall in no event create any liability on the part of the Owner so declaring a default or affect the validity of the notice of default but shall toll any applicable time period for cure by the Mortgagee. In the event that any notice shall be given of the default of any Owner and such defaulting Owner has failed to cure or commence to cure such default as provided in the Agreement, then and in that event, any such Mortgagee, under any Mortgage affecting the Parcel of the defaulting Owner which has given notice as above provided, shall be entitled to receive an additional notice given in the manner provided in Section 16.1, that the defaulting Owner has failed to cure such default and such Mortgagee shall have thirty (30) days after said additional notice to cure any such default, or, if such default cannot be cured within thirty (30) days, to

diligently commence curing within such time and diligently cure within a reasonable time thereafter.

ARTICLE 17

MISCELLANEOUS

17.1 Captions; Interpretation. The captions of the Sections and Articles of this Agreement are for convenience only and shall not be considered nor referred to in resolving questions of interpretation and construction. For purposes of ARTICLE 2, the word "in" with respect to an easement created "in" a particular Parcel or Building means, as the context may require, "in," "to," "on," "over," "through," "upon," "across" and "under," or any one or more of the foregoing.

17.2 Consents and Approvals. In any instance in which any Owner to this Agreement shall be requested to consent to or approve of any matter with respect to which such Person's consent or approval is required by any of the provisions of this Agreement, such consent or approval shall be given in writing, and such consent or approval shall not be unreasonably withheld, conditioned or delayed, unless the provisions of this Agreement with respect to a particular consent or approval expressly provide otherwise. Requests for consent or approval shall be subject to the provisions of Section 17.3.

17.3 Exercise of Approval Rights. Wherever in this Agreement approval or consent of any Owner is required, and unless a different time limit is specifically provided, such approval or disapproval shall be given within sixty (60) days following the receipt by the consenting Owner of the item to be so approved or disapproved, or the same shall be conclusively deemed to have been approved by such Owner. Any disapproval shall specify with particularity the reasons therefor and shall include recommendations for change, where appropriate; provided, however, that wherever in this Agreement any Owner is given the right to approve or disapprove in its sole and absolute judgment or discretion, it may disapprove without specifying a reason therefore and such disapproval shall not be subject to contest in any judicial, arbitration or other proceeding.

17.4 Governing Law. This Agreement shall be construed in accordance with the laws of the State of California and any applicable federal laws and regulations.

17.5 Injunctive Relief. In the event of any violation or threatened violation by any Person of any of the terms, restrictions, covenants and conditions of this Agreement, any of the Owners shall have the right to enjoin such violation or threatened violation in a court of competent jurisdiction.

17.6 No Partnership. None of the terms or provisions of this Agreement shall be deemed or construed to create the relationship of principal and agent, or of partnership, or of joint venture, or of any association between any of the Owners.

17.7 Not a Public Dedication. Nothing herein contained shall be deemed to be a gift or dedication of any portion of the Project or any Parcel or create prescriptive rights to the general public, for the general public, or for any public use or purpose whatsoever, it being the intention of the Owners that this Agreement shall be strictly limited to and for the purposes herein expressed.

Each Owner, by appropriate rules and regulations adopted pursuant to this Agreement, shall have the right to regulate any use of its Parcels by any Person and prohibit such use for any purpose which is adverse to the operation of its Parcel. Nothing herein contained, however, shall be deemed to limit or restrict public access to those portions of the Project to which such access is required by reason of conditions imposed by any applicable public authority.

17.8 Force Majeure. Whenever performance is required of any Owner hereunder, that Owner shall use all due diligence to perform and take all necessary measures in good faith to perform. If, however, completion of performance of any obligation (except any obligation to pay any sums of money under the applicable provisions hereof) shall be delayed at any time by reason of acts of God, fire, earthquake, floods, explosion, acts of the elements, war, invasion, insurrection, riot, mob violence, inability to procure or general shortage of labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strikes, lock-outs, actions of labor unions, condemnation, requisition, Legal Requirements, orders of governmental or military authorities, or any other cause, whether similar or dissimilar to the foregoing, not within the reasonable control of such Owner (financial inability, imprudent management or negligence excepted), then the time for performance as herein specified shall be appropriately extended by the amount of the delay actually so caused. Notwithstanding any specific references in certain other sections of this Agreement to this Section, the absence of such specific reference in any other provisions shall not affect the general applicability of this Section.

17.9 Severability. If any term, provision, covenant or condition contained in this Agreement shall, to any extent, be invalid or unenforceable, the remainder of this Agreement (or the application of such term, provision, covenant or condition to Persons or circumstances other than those in respect of which it is invalid or unenforceable), except those terms, provisions, covenants or conditions which are made subject to or conditioned upon such invalid or unenforceable term, provision, covenant or condition, shall not be affected thereby, and each term, provision, covenant and condition of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

17.10 Successors. This Agreement shall, except as otherwise specifically provided herein, run with the land, both as respects benefits and burdens created herein.

17.11 Time of Essence. Time is of the essence with respect to the performance of each of the terms, conditions, covenants and agreements contained in this Agreement.

17.12 Attorneys' Fees. In the event any Owner shall institute any action or proceeding (including arbitration) relating to violations, threatened violations or failure of performance of or under this Agreement, or any default hereunder, or to enforce the provisions hereof, then the prevailing party shall not be entitled to recover any attorneys' fees and costs.

17.13 Exhibits. All exhibits and schedules attached to this Agreement shall be deemed to be incorporated herein by the individual reference to each such exhibit or schedule, and all such exhibits and schedules shall be deemed to be a part of this Agreement as though set forth in full in the body of the Agreement. In the event of any conflict between the terms and conditions of this Agreement and any exhibit or schedule, the terms and conditions of this Agreement shall control.

17.14 Agents. The exercise of any powers and rights of an Owner under this Agreement by such Owner's agent shall be binding upon all Persons having an interest in any such Parcel owned by such Owner. Such Owner's agent shall, so long as such designation remains in effect, be deemed to be an Owner hereunder and the remaining Persons owning (or otherwise having an interest in) such Parcel shall be deemed not to be Owners, but such designation shall not relieve any Person from the obligations created by this Agreement. The other Owners shall have the right to deal with and rely upon the acts or omissions of such Owner's agent in the performance of this Agreement. Any Person designated an Owner's agent pursuant to the provisions of this Section shall be the agent of its principals, upon whom service of any process, writ, summons, order or other mandate of any nature, of any court in any action, suit or proceeding arising out of this Agreement, or any demand for arbitration may be made, and service upon such Owner's agent shall constitute due and proper service of any such matter upon his principal. Until a successor Owner's agent has been appointed and notice of such appointment has been given pursuant to the provisions of this Section, the designation of an Owner's agent shall remain irrevocable.

17.15 Conflicts. In the event that any of the terms and provisions of any other agreement (other than a Mortgage) encumbering the Project conflict or are inconsistent with any of the terms and provisions hereof, for purposes of determining the duties and obligations of the parties hereto, the terms and provisions of this Agreement shall govern and control in all respects.

17.16 Anti-Merger. No union of the interests of any Owner with respect to more than one Parcel shall result in a merger of the easement and other rights granted under this Agreement with respect to such Parcels or any other Parcel.

17.17 Further Assurance and Definition of Easement Locations. Each Owner will cooperate with any other Owner in good faith in identifying and providing, and hereby agrees to grant or provide, such additional easements or rights over such Owner's Parcel to the extent that such other easements or rights are reasonably necessary for the use or operation of any other Parcel so long as such easements or other rights do not adversely affect the granting Owner's rights or obligations under this Agreement or the use or operation of its Parcel or any Improvements thereon. At the request of any Owner, the Owner(s) whose Parcel(s) are benefited and/or burdened by an easement granted or encroachment permitted under this Agreement shall cooperate to designate the nature and location(s) of such easement support structure or encroachment on a map, diagram or As-Built Plan, and when approved and executed by all of the Owners benefited and/or burdened thereby, an amendment to this Agreement incorporating such map, diagram and/or As-Built Plans shall constitute the nature and location of such easement for purposes of this Agreement (subject to relocation or modification as provided herein), which amendment may be recorded in the Official Records of Los Angeles County. Without limiting the foregoing, each party hereby agrees to the recordation of an amendment to this Agreement, executed by the Owner(s) whose Parcels or easement rights is/are affected thereby, identifying the As-Built Plans for the Improvements so completed on such Owner's Parcel.

17.18 Rule Against Perpetuities. To the extent that any provision of this Agreement would otherwise be invalid or unenforceable due to a violation of the rule against perpetuities, the same shall be construed and interpreted, ut res magis valeat quam pereat (so that it shall have effect rather than be destroyed), as though it were expressly stated that the happening of any contingency or

event must take place, if at all, within the maximum period permitted therefor in order not to violate said rule.

17.19 Estoppel Certificates. Each Owner, at any time and from time to time upon not less than 20 days' prior written notice from any other Owner, shall execute, acknowledge and deliver to such other Owner, or, at such other Owner's request, to any other Person reasonably requested by such other Owner, a certificate legally sufficient to establish the following: (a) if true, that this Agreement has not been assigned by the responding Owner or amended by it, and to the best of its knowledge is unmodified and in full force and effect (or, if there have been such assignments, amendments or modifications, that this Agreement to the best of its knowledge is in full force and effect as assigned, amended or modified, and stating the nature of the assignment, amendment or modification); (b) whether, to the best of such Person's knowledge, there are then existing any defenses against the enforcement of any of the obligations of the requesting Owner under this Agreement (and, if so, specifying same); and (c) whether, to such Person's actual knowledge, there are then existing any defaults by any Owner in the performance of its obligations under this Agreement (and, if so, specifying same). It is intended that any such certificate delivered pursuant to this Section 17.19 may be relied upon by the requesting Owner and any such other Person. Such statement shall act as a waiver of any claim by the Owner furnishing it to the extent such claim is based upon facts contrary to those asserted in the statement and to the extent the claim is asserted against a bona fide encumbrancer or purchaser for value without knowledge of facts to the contrary of those contained in the statement and who has acted in reasonable reliance upon the statement.

17.20 Proprietary and Governmental Roles; Actions by Parties. Except where clearly and expressly provided otherwise in this Agreement, the capacity of the City in this Agreement shall be as owner and/or lessor of property only ("Proprietary Capacity"), and any obligations or restrictions imposed by this Agreement on the City shall be limited to that capacity and shall not relate to, constitute a waiver of, supersede or otherwise limit or affect the governmental capacity of the City, including 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"). In addition, nothing in this Agreement shall supersede or waive any discretionary or regulatory approvals required to be obtained from the City under applicable Legal Requirements, and no provision of this Agreement shall limit the police powers of the City.

17.21 Multiple Roles. Except where clearly and expressly provided otherwise in this Agreement, this Agreement shall be binding upon and inure to the benefit of the City (a) in its capacity as fee owner of the Parcels, (b) during such time as any of the Project Ground Leases are in effect, in its capacity as ground lessor under each applicable Project Ground Lease, and (c) during such time as there is a sublease on the Convention Center Parcel, in its capacity as the ground sublessee pursuant to such sublease (or the ground sublessor, if ever applicable). The provisions of this Section 17.21 shall survive the termination of this Agreement.

17.22 Ordinance Mandated Provisions.

17.22.1 Attached Ordinance Provisions. The parties to this Agreement 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 D-1.
- (b) Section 10.10 (Child Support Assignment Orders), which is set forth in Exhibit D-2.
- (c) Section 10.36 (Service Contractor Worker Retention), which is set forth in Exhibit D-3.
- (d) Section 10.37 (Living Wage), which is set forth in Exhibit D-4.
- (e) Section 10.40 (Contractor Responsibility Program), which is set forth in Exhibit D-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 D-6.
- (g) Section 10.44 (First Source Hiring), which is set forth in Exhibit D-7.
- (h) Section 10.45 (Public Infrastructure Stabilization Ordinance), which is set forth in Exhibit D-8.
- (i) Section 10.47 (Local Business Preference Program), which is set forth in Exhibit D-9.

The parties agree that the applicability of the above-referenced Administrative Code Sections to this Agreement will need to be determined from time to time during the term of this Agreement, 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 Agreement: (i) this Agreement shall be subject to such Administrative Code Section, as amended, (ii) the applicable Ground Lessee who is required to comply with such Administrative Code Section shall so comply, and to the extent required by such ordinance, 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 Agreement certain language or provision, the parties hereto agree that such language/provision shall be deemed included in this Agreement (with the appropriate adjustment for defined terms) and shall have the same effect as if it were fully set forth in this Section 17.22.

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

17.22.2 Tax Registration Certificates And Tax Payments. This Section 17.22.2 is applicable to a particular Ground Lessee where such Ground Lessee is engaged in business within the City of Los Angeles and such Ground Lessee 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 Agreement, or the effective date of any extension of the term of this Agreement, each Ground Lessee shall provide to the City Administrative Officer proof satisfactory to the City Administrative Officer that such Ground Lessee has the required TRCs and that it is not then currently delinquent in any tax payment required under the Tax Ordinances. City may terminate this Agreement as to a particular Ground Lessee upon thirty (30) days' prior written notice to such Ground Lessee if City determines that such Ground Lessee failed to have the required TRCs or was delinquent in any tax payments required under the Tax Ordinances at the time of entering into or extending the term of this Agreement. City may also terminate this Agreement as to a particular Ground Lessee upon ninety (90) days prior written notice to such Ground Lessee at any time during the term of this Agreement if such Ground Lessee fails to maintain required TRCs or becomes delinquent in tax payments required under the Tax Ordinances and such Ground Lessee fails to cure such deficiencies within the ninety (90) day period (in lieu of any time for cure provided in Section 9).

17.23 Modifications to Legal Descriptions of Property. Each of the Convention Center Parcel, the L.A. Live Way Garage Parcel and the Bond Street Garage Parcel 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 Convention Center Parcel, the L.A. Live Way Garage Parcel or the Bond Street Garage Parcel, as the case may be, as though such property were included in the legal descriptions of the Convention Center Parcel, the L.A. Live Way Garage Parcel or the Bond Street Garage Parcel, as the case may be, 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 each of the Convention Center Parcel, the L.A. Live Way Garage Parcel and the Bond Street Garage Parcel with a final legal description and shall record the updated legal description as a correction to the legal descriptions set forth in Exhibits A-2, A-3 and A-4, respectively, to this Agreement. City Council approval shall not be required in connection with the foregoing correction of the legal descriptions.

[Signatures on next page]

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

**CONVENTION CENTER PARCEL OWNER, EVENT CENTER PARCEL OWNER,
STAPLES CENTER PARCEL OWNER, LA LIVE WAY GARAGE PARCEL OWNER,
AND BOND STREET GARAGE PARCEL OWNER:**

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:
June Lagmay, City Clerk

By: _____
Deputy

DATE: _____

[signatures continued on next page]

EVENT CENTER GROUND LESSEE:

L.A. EVENT CENTER, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

STAPLES CENTER GROUND LESSEE:

L.A. ARENA LAND COMPANY, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

LA LIVE WAY GARAGE GROUND LESSEE:

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

By: _____
Name: _____
Title: _____

BOND STREET GARAGE GROUND LESSEE:

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

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENT

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)

ACKNOWLEDGMENT

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-1

LEGAL DESCRIPTION OF EVENT CENTER PARCEL

Exhibit A-2

Convention Center Legal Description

Convention Center Remainder Parcel:

See attached.

Gilbert Lindsay Parcel:

See attached.

New Hall Parcel:

See attached.

EXHIBIT A-3

LEGAL DESCRIPTION OF L.A. LIVE WAY GARAGE PARCEL

EXHIBIT A-4

LEGAL DESCRIPTION OF BOND STREET GARAGE PARCEL

EXHIBIT A-5

LEGAL DESCRIPTION OF STAPLES CENTER PARCEL

EXHIBIT B

EASEMENT AREAS

EXHIBIT C

PROJECT SITE PLAN

EXHIBIT D-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