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**DEVELOPMENT AGREEMENT BY AND BETWEEN**

**THE CITY OF INGLEWOOD,**

**AND**

**MURPHY'S BOWL LLC**

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## DEVELOPMENT AGREEMENT

This Development Agreement (this "**Agreement**") is entered into as of this \_\_\_ day of \_\_\_\_\_, by and between the CITY OF INGLEWOOD, a municipal corporation ("**City**"), and MURPHY'S BOWL LLC, a Delaware limited liability company ("**Developer**"). City and Developer and their respective Transferees and assigns are hereinafter collectively referred to as the "**Parties**" and singularly as "**Party**."

### RECITALS

**A. Authorization.** To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California adopted Government Code Section 65864 *et seq.* (the "**Development Agreement Statute**"), which authorizes City and any person having a legal or equitable interest in real property to enter into a development agreement, establishing certain development rights in the property which is the subject of the development project application. The purpose of the Development Agreement Statute is to authorize municipalities, in their discretion, to establish certain development rights for a period of years regardless of intervening changes in land use regulations.

**B. Developer.** Developer is a limited liability company formed and in good standing under the laws of the State of Delaware and is qualified to do business in the State of California.

**C. Project.** The Developer, in cooperation with the City, proposes to develop on the Property, as defined below, a Sports and Entertainment Complex with an arena, providing access to recreation to the public in the form of spectator sports, that has up to approximately 18,000 fixed seats suitable for National Basketball Association ("NBA") games, with capacity to add approximately 500 additional temporary seats for additional sports, entertainment or other events, as well as ancillary and incidental arena uses including: (1) up to an approximately 85,000 square-foot team practice and athletic training facility; (2) up to approximately 71,000 square feet of LA Clippers team office space; (3) up to an approximately 25,000 square-foot sports medical clinic for team and potential general public use; (4) an outdoor plaza adjacent to the Arena with circulation and gathering space and landscaping along with an outdoor stage and basketball court (collectively, the "**Plaza**"); (5) up to approximately 63,000 square feet of retail, food and beverage, back of house services, security, storage, bag check, rest rooms, and other uses adjacent to the Plaza; (6) parking facilities in three parking structures with parking spaces for vehicles and bicycles; (7) a transportation hub dedicated to bus, coach, and Transportation Network Company staging; (8) one or two pedestrian bridges across adjacent rights-of-way; (9) various signage, broadcast, filming, recording, transmission, production, and communications facilities and equipment; and (10) other associated public improvements (collectively, and as modified in accordance with this Agreement, the "**Project**"). The Project includes implementation of a Transportation Demand Management Program with shuttle bus service connecting the Property to nearby Metro stations, including pick-up and drop-off locations along South Prairie Avenue, and other trip reduction measures as fully described in the MMRP and in this Agreement. The Project would also be designed to meet or exceed standards for LEED Gold certification.

**D. Property.** The Project is to be developed on those certain parcels of real property referred to in this Agreement as the "**Property**" and generally depicted in Exhibit A attached hereto. Together, the Property is comprised of the "**City Parcels**" more particularly identified and legally described in Exhibit A-1 and the "**Potential Participating Parcels**" more particularly identified and legally described in Exhibit A-2. In conjunction with entering into this Agreement, the Parties are concurrently entering into that certain Disposition and Development Agreement, dated \_\_\_\_\_, 2020 (the "**DDA**"). The DDA provides for the Developer's purchase from City of the City Parcels and, if acquired by the City, the Potential Participating Parcels.

**E. Planning Commission Public Hearing.** On [June 17, \_\_\_\_\_, 2020], at a duly noticed public hearing, the Planning Commission of the City of Inglewood, serving as the City's planning agency for purposes of development agreement review pursuant to Government Code Section 65867, considered this Agreement and thereafter, pursuant to Resolution No. \_\_\_\_\_, recommended that the City Council approve this Agreement.

**F. Environmental Review.** On \_\_\_\_\_, 2020, at a duly noticed public hearing, the City Council of the City of Inglewood, serving as the lead agency for purposes of CEQA, reviewed and considered the Inglewood Basketball and Entertainment Center Environmental Impact Report for the Project (the "**FEIR**") and the Planning Commission's recommendations related thereto. Thereafter, the City Council certified the FEIR as adequate and complete and made findings in connection therewith pursuant to Resolution No. \_\_\_\_\_.

**G. Project Approvals.** The approvals set forth in Exhibit B (the "**Project Approvals**") are necessary for the development, use, and operation of the Project, and such Project Approvals have been granted and are the subject of this Agreement.

**H. Agreement Consistent with the General Plan and Applicable Specific Plans.** Having duly examined and considered this Agreement and having properly noticed and held public hearings hereon, the City Council has found that this Agreement is consistent with the General Plan, as amended by the Project Approvals, and the International Business Park Specific Plan, as amended under the Project Approvals. As a result, this Agreement complies with the Government Code Section 65867.5 requirement of general plan and specific plan consistency.

**I. City Determination.** This Agreement is voluntarily entered into by the Parties in consideration of the benefits to and the rights created in favor of each of the Parties and in reliance upon the various representations and warranties contained herein. As such, City has determined that the Project is a development for which a development agreement is appropriate. A development agreement will secure the appropriate commitments for the benefit of the public and eliminate uncertainty in City's land use planning and permitting process and assure that Developer may plan to develop, use, and operate the Property with certainty as to the installation of necessary improvements appropriate to the Project, and otherwise achieve the goals and purposes for which the Development Agreement Statute was enacted. In order to enable Developer to expend the necessary sums to prepare the plans referred to in this Agreement and to pursue other development work associated with the Project, both Developer and City desire to provide certainty through this Agreement with respect to the specific development, use, and

operational criteria applicable to the Property in order to provide for appropriate utilization of the Property in accordance with sound planning principles.

**J. Public Use Pursuant to the Development Agreement.**

The City Council has determined that the development of the Project, at no cost to the City, will provide access to recreation to the residents of the City of Inglewood in the form of spectator sports, a public use (the "**Public Use**").

**K. Public Benefits Provided Pursuant to the Development Agreement.** In addition to the Public Use aspect of the Project, the City Council has also determined that the development of the Project will afford the City and its residents with numerous public benefits, including those identified in Section 14 and more particularly described in Exhibit C (the "**Public Benefits**"), which are in excess of those otherwise having a "nexus" to the Project and beyond the public benefits which could be expected from the Project in absence of the Agreement. In exchange for the Public Benefits to the City, Developer desires to receive assurances that the City will grant permits and approvals required for the development, use, and operation of the Project, over the term of this Agreement, in accordance with procedures provided by Applicable Law and in this Agreement, and that Developer may proceed with the development, use, and operation of the Project in accordance with the Existing City Laws consistent with the terms and conditions of this Agreement. In order to effectuate these purposes, the Parties desire to enter into this Agreement.

**L. City Council Action.** On \_\_\_\_\_, 2020, the City Council held a duly noticed public hearing on this Agreement and, after independent review and consideration, including the Planning Commission's recommendations related thereto, approved this Agreement pursuant to Ordinance No. \_\_\_\_\_ (the "**Enacting Ordinance**"), making the same findings and determinations as those made by the Planning Commission through its own independent conclusion and this Agreement.

NOW, THEREFORE, in consideration of the following mutual promises, conditions, and covenants, the Parties agree as follows:

**AGREEMENT**

1. **INCORPORATION OF RECITALS AND EXHIBITS**¶ The Preamble, the Recitals and all defined terms set forth in both are incorporated into this Agreement as if set forth herein in full. In addition, each of the exhibits attached hereto are expressly incorporated herein and made a part of this Agreement, and all references to this Agreement shall include the exhibits hereto.

2. **DEFINITIONS**¶ Each reference in this Agreement to any of the following terms shall have the meaning set forth below for each such term. Certain other terms shall have the meaning set forth for such term in this Agreement if not otherwise defined below.

2.1 **Adoption Date**¶ The date the City Council adopted the Enacting Ordinance.

2.2 **Affiliate**¶ As to an individual, corporation, association, partnership (general or limited), joint venture, trust, estate, limited liability company or other legal entity or organization (each, a "**Person**"), any other Person that directly or indirectly controls, is controlled by, or is under common control with, such Person. As to the definition of Affiliate, "**control**" shall mean, directly or indirectly, and either individually or in concert with any Immediate Family Members, (a) the ownership of more than 50% of the voting securities or other voting interests of any Person, or (b) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by contract or otherwise; and "**Immediate Family Members**" shall mean, and be limited to, with respect to any individual, (a) such natural person's then-current spouse, children, grandchildren, and other lineal descendants of such natural person, (b) any trust or estate of which the primary beneficiaries include such natural person and/or one or more of the persons described in the foregoing clause (iv)(a), or (c) any corporation, partnership, limited liability company or other entity that is 100% owned by one or more of the Persons described in the foregoing clauses (iv)(a) and (iv)(b).

2.3 **Agreement**¶ Defined in the Preamble.

2.4 **Annual Review Date**¶ Defined in Section 19.1.

2.5 **Applicable Exactions**¶ Defined in Section 7.2.

2.6 **Applicable Law**¶ Collectively, (i) Existing City Laws, (ii) Subsequent Rules only if applicable to the development, use, or operation of the Project pursuant to Section 8 of this Agreement, and (iii) the laws of the State of California, the Constitution of the United States, and any codes, statutes, or mandates in any court decision, state or federal, thereunder.

2.7 **Approvals**¶ All amendments to City Laws and any and all permits or approvals (including conditions of approval imposed in connection therewith) of any kind or character granted or issued under the City Laws to confer the lawful right on Developer to develop, use, and operate the Project in accordance with this Agreement, including, but not limited to, the Project Approvals, any Subsequent Approvals, and other permits and approvals that are applicable to the Project in accordance with this Agreement.

2.8 **Approved Event Configurations**¶ Defined in Section 9.1.

2.9 **Arena**¶ A state-of-the-art basketball arena which has up to approximately 18,000 fixed seats suitable for National Basketball Association ("NBA") games, with capacity to add approximately 500 additional temporary seats for additional sports, entertainment or other events.

2.10 **CEQA**¶ The California Environmental Quality Act (Public Resources Code §§ 21000 *et seq.* and the Guidelines thereunder (Title 14, Cal. Code Regs. § 15000 *et seq.*).

2.11 **Certificate of Occupancy**¶ The final certificate of occupancy issued by the City for the Project or any applicable portion thereof.

2.12 **City**¶ Defined in the Preamble.

2.13 **City Law(s)**¶ The ordinances, resolutions, codes, rules, regulations, and official policies of the City, governing the permitted uses, density, parking requirements, design, operations, improvement and construction standards and specifications applicable to the development, use, or operation of the Property or the Public Improvements. Specifically, but without limiting the generality of the foregoing, City Laws shall include the City's General Plan, Municipal Code, zoning ordinance, and subdivision regulations, as well as taxes related to ticket sales, gross receipts, and parking.

2.14 **City Manager**¶ The City Manager of Inglewood or his or her designee.

2.15 **City Parcels**¶ Defined in Recital D.

2.16 **City-Wide Laws**¶ Any City Laws generally applicable to a category of development, use, or operation of one or more kinds, wherever the same may be located in City, including but not limited to, a general or special tax adopted in accordance with California Constitution, Art. XIII C and D *et seq.*, otherwise known as Proposition 218; provided, however, that notwithstanding the foregoing, any ordinances, resolutions, codes, rules, regulations, taxes and official policies of City which only apply to, meaningfully impact, or uniquely and disproportionately impact the Project (whether explicitly, or as a practical matter) shall not be considered City-Wide Laws. For the purposes hereof, "**City-Wide Laws**" includes the variant "**City-Wide**."

2.17 **Claims**¶ Defined in Section 20.1.

2.18 **Codes**¶ Defined in Section 7.4.

2.19 **Commercial Sign**¶ Defined in Section 17.

2.20 **Complaining Party**¶ Defined in Section 24.

2.21 **DDA**¶ Defined in Recital D.

2.22 **Default**¶ Either an Event of City Default or an Event of Developer Default (as applicable).

2.23 **Development Agreement Statute**¶ Defined in Recital A.

2.24 **Effective Date**¶ The date this Agreement is entered into as set forth on the first page of this Agreement.

2.25 **Enacting Ordinance**¶ The ordinance pursuant to which the City approved this Agreement as defined in Recital L.

2.26 **Environmental Law**¶ Any federal, state or local law, ordinance, rule, or regulation, now or hereafter enacted, amended or modified, in each case to the extent applicable to the Property including the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. Section 9601 *et seq.*); the Hazardous Materials Transportation Act (49 U.S.C. Section 1801 *et seq.*); the Resource Conservation and Recovery Act (42 U.S.C. Section

6901 *et seq.*); Sections 25117, 25281, 25316 or 25501 of the California Health & Safety Code; any so-called "Superfund" or "Superlien" law; the Toxic Substance Control Act of 1976 (15 U.S.C. Section 2601 *et seq.*); the Clean Water Act (33 U.S.C. Section 1251 *et seq.*); and the Clean Air Act (42 U.S.C. Section 7901 *et seq.*).

2.27 **Event of City Default**¶ Defined in Section 22.2.

2.28 **Event of Developer Default**¶ Defined in Section 22.1.

2.29 **Exactions**¶ All exactions, costs, fees, in-lieu fees or payments, charges, taxes, assessments, dedications, or other monetary or non-monetary requirement charged or imposed by City, or by City through an assessment district (or similar entity), in connection with the development of, construction on, operation or use of real property, including but not limited to transportation improvement fees, park fees, parking taxes, admissions taxes, child care in-lieu fees, art fees, affordable housing fees, infrastructure fees, dedication or reservation requirements, facility fees, sewer fees, water connection fees, obligations for on- or off-site improvements, or other conditions for approval called for in connection with the development, construction, or operation of the Project, whether such exactions constitute public improvements, Mitigation Measures, or taxes or impositions made under applicable City Laws or in order to make an Approval consistent with applicable City Laws. Exactions shall not include Processing Fees, such as building permit fees and plan check fees, , Sewer Connection Fees (IMC § 10-91 or as modified), and Sewer Service Fees (IMC § 10-155 or as modified).

2.30 **Existing City Laws**¶ The City Laws in effect as of the Adoption Date, as amended by any amendments to City Laws enacted by the Project Approvals.

2.31 **FEIR**¶ Defined in Recital F.

2.32 **Final Determination**¶ A final, non-appealable resolution of any legal challenge or appeal.

2.33 **General Plan**¶ The General Plan for City, adopted by the City Council in January 1980, and subsequently amended, and in effect as of the Adoption Date, as amended by any applicable amendments to City Laws enacted by the Project Approvals.

2.34 **Hazardous Materials**¶ Any substance, material, or waste which is or becomes regulated by any local governmental authority, the State of California and/or the United States Government, including, but not limited to asbestos; polychlorinated biphenyls (whether or not highly chlorinated); radon gas; radioactive materials; explosives; chemicals known to cause cancer or reproductive toxicity; hazardous waste, toxic substances or related materials; petroleum and petroleum product, including, but not limited to, gasoline and diesel fuel; those substances defined as a "Hazardous Substance", as defined by Section 9601 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, *et seq.*, or as "Hazardous Waste" as defined by Section 6903 of the Resource Conservation and Recovery Act, 42 U.S.C. 6901, *et seq.*; an "Extremely Hazardous Waste," a "Hazardous Waste" or a "Restricted Hazardous Waste," as defined by The Hazardous Waste Control Law under Section 25115, 25117 or 25122.7 of the California Health and Safety Code, or is listed or identified pursuant to Section 25140 of the California Health and Safety Code; a "Hazardous Material", "Hazardous



Substance," "Hazardous Waste" or "Toxic Air Contaminant" as defined by the California Hazardous Substance Account Act, laws pertaining to the underground storage of hazardous substances, hazardous materials release response plans, or the California Clean Air Act under Sections 25316, 25281, 25501, 25501.1 or 39655 of the California Health and Safety Code; "Oil" or a "Hazardous Substance" listed or identified pursuant to the Federal Water Pollution Control Act, 33 U.S.C. 1321; a "Hazardous Waste," "Extremely Hazardous Waste" or an "Acutely Hazardous Waste" listed or defined pursuant to Chapter 11 of Title 22 of the California Code of Regulations Sections 66261.1 through 66261.126; chemicals listed by the State of California under Proposition 65 Safe Drinking Water and Toxic Enforcement Act of 1986 as a chemical known by the State to cause cancer or reproductive toxicity pursuant to Section 25249.8 of the California Health and Safety Code; a material which due to its characteristics or interaction with one or more other substances, chemical compounds, or mixtures, materially damages or threatens to materially damage, health, safety, or the environment, or is required by any law or public agency to be remediated, including remediation which such law or government agency requires in order for the Property to be put to the purpose proposed by this Agreement; any material whose presence would require remediation pursuant to the guidelines set forth in the State of California Leaking Underground Fuel Tank Field Manual, whether or not the presence of such material resulted from a leaking underground fuel tank; pesticides regulated under the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. 136 *et seq.*; asbestos, PCBs, and other substances regulated under the Toxic Substances Control Act, 15 U.S.C. 2601 *et seq.*; any radioactive material including, without limitation, any "source material," "special nuclear material," "by-product material," "low-level wastes," "high-level radioactive waste," "spent nuclear fuel" or "transuranic waste" and any other radioactive materials or radioactive wastes, however produced, regulated under the Atomic Energy Act, 42 U.S.C. 2011 *et seq.*, the Nuclear Waste Policy Act, 42 U.S.C. 10101 *et seq.*, or pursuant to the California Radiation Control Law, California Health and Safety Code, Sections 25800 *et seq.*; hazardous substances regulated under the Occupational Safety and Health Act, 29 U.S.C. 651 *et seq.*, or the California Occupational Safety and Health Act, California Labor Code, Sections 6300 *et seq.*; and/or regulated under the Clean Air Act, 42 U.S.C. 7401 *et seq.* or pursuant to the California Clean Air Act, Sections 3900 *et seq.* of the California Health and Safety Code.

2.35 **Indemnification Claim**¶ Defined in Section 20.2.1.

2.36 **Indemnified Parties**¶ Defined in Section 20.1.

2.37 **Developer**¶ Defined in the Preamble.

2.38 **Losses**¶ Defined in Section 20.1.

2.39 **Minor Amendment**¶ Defined in Section 21.4.

2.40 **Mitigation Measures**¶ The mitigation measures applicable to the Project, the implementation of which is identified in the MMRP as the responsibility of Developer.

2.41 **MMRP**¶ The Mitigation Monitoring and Reporting Plan adopted as part of the Project Approvals, as it applies to the Project.

2.42 **Mortgage**¶ A mortgage or deed of trust, or other transaction, in which the Property, or a portion thereof or an interest therein, or any improvements thereon, is conveyed or pledged as security, contracted in good faith and for fair value, or a sale and leaseback arrangement in which the Property, or a portion thereof or an interest therein, or improvements thereon, is sold and leased back concurrently therewith in good faith and for fair value provided however any such mortgage shall provide a right of the City to negotiate with the mortgagee with respect to a cure of a default under the mortgage and the right to cure per Civil Code § 2924c.

2.43 **Mortgagee**¶ The holder of the beneficial interest under a Mortgage, or the owner of the Property, or interest therein, under a Mortgage.

2.44 **Party**¶ City and Developer, and their respective assignees or Transferees, determined as of the time in question; collectively they shall be called the "**Parties**."

2.45 **Party in Default**¶ Defined in Section 24.

2.46 **Performance Year**¶ July 1 of any calendar year through and including June 30 of the next calendar year.

2.47 **Permitted Delay**¶ Defined in Section 30.

2.48 **Person**¶ An individual, partnership, firm, association, corporation, trust, governmental agency, administrative tribunal or other form of business or legal entity.

2.49 **Plan Check Fees**¶ Defined in Section 7.2.

2.50 **Plaza**¶ The pedestrian plaza to be developed as part of the Project and operated and maintained consistent with the requirements set forth in Exhibit F.

2.51 **Potential Participating Parcels**¶ Defined in Recital D.

2.52 **Prevailing Party**¶ Defined in Section 25.

2.53 **Processing Fee**¶ A City-Wide fee payable upon the submission of an application for a permit or approval, which covers only the estimated actual costs to City of processing that application, and is not an Exaction.

2.54 **Project**¶ Defined in Recital C.

2.55 **Project Approvals**¶ Defined in Recital G.

2.56 **Property**¶ Defined in Recital D.

2.57 **Public Art Contribution**¶ Defined in Section 7.3.3.

2.58 **Public Benefits**¶ Defined in Recital K.

2.59 **Public Improvements**¶ The facilities to be improved and constructed by Developer, and publicly dedicated or made available for public use, as provided by the Project

Approvals and the SEC Infrastructure Plan. Public Improvements consist of all off-site right-of-way improvements; all off-site utilities (such as gas, electricity, water, sewer and storm drainage); and any other on-site or off-site improvements and facilities required by the Project Approvals and this Agreement to be constructed and dedicated by the Developer in connection with the development of the Project.

2.60 **Public Use Restriction**¶ Covenants, conditions or restrictions recorded in furtherance of Section 1245.245 of the California Code of Civil Procedure against those certain City Parcels and Potential Participating Parcels comprising the Arena.

2.61 **SEC Design Guidelines**¶ The SEC Design Guidelines, as part of the Sports and Entertainment Complex Design Guidelines and Infrastructure Plan adopted by the City Council as part of the Project Approvals.

2.62 **SEC Infrastructure Plan**¶ The SEC Infrastructure Plan, as part of the Sports and Entertainment Complex Design Guidelines and Infrastructure Plan adopted by the City Council as part of the Project Approvals.

2.63 **Sports and Entertainment Complex**¶ Defined in Section 12-38.91(E) of the Inglewood Municipal Code added as part of the Project Approvals.

2.64 **Subsequent Approvals**¶ Defined in Section 8.4.

2.65 **Subsequent Rules**¶ Defined in Section 8.1.

2.66 **Substantive Amendment**¶ Defined in Section 21.3.

2.67 **Term**¶ Defined in Section 6.2.

2.68 **Termination**¶ The expiration of the Term of this Agreement, whether by the passage of time or by any earlier occurrence pursuant to any provision, including an uncured Default or other termination of this Agreement. For purposes hereof, "**Termination**" includes any grammatical variant thereof, including "**Terminate**," "**Terminated**," and "**Terminating**."

2.69 **Transfer**¶ Any sale, transfer, assignment, conveyance, gift, hypothecation, or the like of the Property or any portion thereof or any interest therein or of this Agreement; provided, however, that "**Transfer**" shall expressly exclude: (a) grants of leases, licenses or other occupancy rights for buildings or other improvements which will be part of the Project; (b) grants of easements or other similar rights granted in connection with the development or operation of the Project or Site; (c) the placement of mortgages or deeds of trust on the Property; (d) the exercise of any remedies of any lender holding a mortgage or deed of trust on the Property; or (e) the removal of a general partner or managing member by the exercise of remedies under any form of operating or partnership agreement.

2.70 **Transferee**¶ Defined in Section 15.

2.71 **Transferred Property**¶ Defined in Section 15.

2.72 **Vested Rights**¶ Defined in Section 7.1.

3. **DESCRIPTION OF PROPERTY**¶ The Property is described and depicted in Exhibit A attached hereto.

4. **INTEREST OF DEVELOPER**¶ The DDA provides for the conveyance of the City Parcels to Developer in accordance with the terms and conditions thereof. The DDA also provides a process pursuant to which any Potential Participating Parcels not owned or acquired by Developer may be acquired by City, including, if the City determines, in its sole and absolute discretion, to exercise its power of eminent domain for any such acquisition. This Agreement is binding on the Parties as of the Effective Date and shall be binding as to each portion of the Property on the later of the Effective Date or the date that the Developer acquires a legal or equitable interest in such portion of the Property.

5. **RELATIONSHIP OF CITY AND DEVELOPER**¶ Neither Party is acting as the agent of the other in any respect hereunder and each Party is an independent contracting entity with respect to the terms, covenants, and conditions contained in this Agreement. None of the terms or provisions of this Agreement shall be deemed to create a partnership between or among the Parties in the businesses of Developer, the municipal or governmental affairs of City, or otherwise, nor shall it cause them to be considered joint venturers or members of any joint enterprise. City and Developer renounce the existence of any form of joint venture or partnership between them, and nothing contained herein or in any document executed in connection herewith shall be construed as making City and Developer joint venturers or partners.

6. **EXECUTION AND TERM OF AGREEMENT**¶

6.1 **Execution and Recording of Agreement**¶ This Agreement has been entered into as of the Effective Date. Not later than ten (10) City-business days after the Effective Date, the City shall cause this Agreement, together with a notice indicating the Adoption Date, the Enacting Ordinance number, and the Effective Date, to be recorded against the City Parcels in the Official Records of the County of Los Angeles, State of California ("**Recorder's Office**"). Within ten (10) City-business days following the acquisition of any Potential Participating Parcel by the Developer, or any such acquisition by City and transfer to Developer, the City shall cause a recordable memorandum of this Agreement to be recorded against such Potential Participating Parcel.

6.2 **Term**¶ The term of this Agreement shall commence on the Effective Date and extend for 50 years ("**Term**"), unless said Term is terminated, modified, or extended by the terms of this Agreement. Notwithstanding the foregoing, this Agreement shall terminate if the DDA is terminated prior to the conveyance of the City Parcels to the Developer.

6.3 **Extension of Approvals**¶ Upon the granting of any Approval, the term of such Approval shall be extended automatically through the Term of this Agreement, notwithstanding any other City Law.

6.4 **Rights and Obligations Upon Expiration of the Term**¶ Following Termination of this Agreement, all of the rights, duties and obligations of the Parties hereunder shall terminate and be of no further force and effect, except as provided in this Section 6.4. Upon

Termination of this Agreement, Developer shall continue to comply with the Public Use Restrictions and provisions of all City Laws then in effect or subsequently adopted with respect to the Property and/or the Project, except that any Termination shall not affect any right vested before the Termination of this Agreement (absent this Agreement), or other rights arising from Approvals previously granted by City for development, use, or operation of all or any portion of the Project, including, but not limited to any approved operating permits, sign permits, valid building permits, or certificates of occupancy.

**7. VESTED RIGHTS**

7.1 **Permitted Uses** Except as expressly provided in Section 8, during the Term of this Agreement the permitted uses and rules applicable to the completion of the development, use, and operation of the Property, including but not limited to (i) event permitting, (ii) event parking, (iii) parking, ticket, and gross receipts taxes, (iv) the density and intensity of use; (v) the rate, timing, and sequencing of development, (vi) the maximum height (except as limited by the Federal Aviation Administration), design and size of proposed buildings, and (vii) parking standards shall be those set forth in this Agreement, the Existing City Laws, and Project Approvals as of the Adoption Date (the "**Vested Rights**").

7.2 **Exactions** Except as provided in this Section 7 and Section 8, including all subsections therein, City shall not impose any further or additional Exactions on the development, use or operation of the Project, whether through the exercise of the police power, the taxing power, design review, or any other means, other than those set forth in the Project Approvals, the Mitigation Measures, and this Agreement. The Exactions applicable to the Project as of the Adoption Date are listed in Exhibit D ("Applicable Exactions"). The Applicable Exactions shall not be modified or renegotiated by City in connection with the granting of any amendment to the Project Approvals, or the granting of any Approval, except as specifically authorized in this Agreement. The provisions contained in this Section are intended to implement the intent of the Parties that Developer has the right to develop, use, and operate the Project pursuant to specified and known criteria and rules, and that City will receive the benefits conferred as a result of such development, use, and operation of the Project without abridging the right of City to act in accordance with its powers, duties, and obligations. To the extent that there are Exactions not listed on the Applicable Exactions that are first adopted or imposed by City after the Adoption Date, such new Exactions shall not be applicable to or imposed on the Project or the Property.

7.2.1 Admission Tax: Notwithstanding any future increases in the admissions tax listed under the Applicable Exactions, whether arising from increases pursuant to an amendment of IMC § 9-6(2) or through an amendment of IMC § 9-6(5) that a) lowers the seating capacity threshold of venues subject to an existing tax of ten percent (10%) of the per person admission price for each venue event to the maximum seating capacity of the Arena; b) increases the amount of the admissions tax levied on the per person admission price for each venue event; and/or c) increases or eliminates the maximum aggregate amount of such admissions taxes payable annually to City, any such increased admissions tax payable by the Developer to City pursuant to IMC § 9-6 shall not exceed two and one-half percent (2.5%) of the face value of each sold admission for events conducted at the Arena, including, but not limited to, tickets or similar rights of sold admission. Under no circumstances and at no time shall the admissions tax

applicable to events at the Arena exceed two and one-half percent (2.5%) of the admission. Admissions not sold but provided on a complimentary basis shall not be subject to the admissions tax.

7.2.2 **Parking Taxes.** To the extent that there are increases in the Parking Taxes, as listed under the Applicable Exactions, such increases shall not be imposed on the Project or the Property until five Performance Years have concluded from when the Developer has received the Certificate of Occupancy for the Arena and thereafter any increase shall be limited to no more than two additional percentage points above the total Parking Tax rate applied for the previous Performance Year. Any such increase above said two additional percentage points will require the consent of the Developer, which shall not be unreasonably withheld; provided, however, Developer shall have the right to disapprove any such increase that Developer reasonably determines could cause the Arena to be at any competitive disadvantage as compared with other venues in the Los Angeles metropolitan area that compete with the Arena.

7.2.3 **Transient Occupancy Taxes.** To the extent that there are increases in the Transient Occupancy Taxes, as listed under the Applicable Exactions, such increases shall not be imposed on the Project or the Property until two Performance Years have concluded from when the Developer has received the Certificate of Occupancy for the Project Hotel and thereafter any increase shall be limited to no more than two additional percentage points above the total Transient Occupancy Tax rate applied for the previous Performance Year. Any such increase above said two percentage points will require the consent of the Developer, which shall not be unreasonably withheld; provided, however, Developer shall have the right to disapprove any such increase that Developer reasonably determines could cause the Hotel to be at any competitive disadvantage as compared with other hotels in the Los Angeles metropolitan area that compete with the Arena.

7.2.4 In recognition of the fact that the construction of the Project shall be entirely financed with private funds, in no event shall there be any Exaction imposed upon or revenue sharing with respect to on-site Project signage, sponsorship or naming rights, personal seat licenses or similar use rights in connection with the Project.

7.2.5 **Plan Check Fees.** Developer shall pay any Processing Fees in effect at the time of the application for that permit or approval. Notwithstanding the foregoing, in lieu of any Processing Fees otherwise payable for building permit plan check ("**Plan Check Fees**"), Developer shall pay City the full costs of a contract planner or contract building plan check person if such services are mutually determined to be necessary by Developer and the City's Director of Economic and Community Development, or by Developer in order to achieve its desired timeframes for construction of the Project; provided, however, in such event Developer shall pay to City an amount equal to 15% of the contract planner costs to cover the City's administrative costs. Developer shall also pay all City fees and costs relating to monitoring compliance with any permits issued or approvals granted or the performance of any conditions with respect thereto or any performance required of Developer hereunder. However, this Agreement shall not limit the City's authority to charge Processing Fees that are in force on a City-wide basis at the time an application is made for such permit or entitlements, to the extent such fees are not duplicative of Plan Check Fees and payments made by Developer pursuant to this Section 7.2 or the DDA.

7.2.6 **Real Property Transfer Tax (IMC § 9-42).** In the event of an increase in the Real Property Transfer Tax by the City during the term of this Agreement, the maximum tax amount imposed on the Property or Project shall not exceed One Dollar and Fifty Cents (\$1.50) for each Five Hundred Dollars (\$500.00) or fractional part thereof, of the consideration or value of the interest or property conveyed on any deed or instrument or writing pursuant to IMC § 9-42.

7.2.7 To the extent that there are Exactions not listed on the Applicable Exactions that are first adopted or imposed by City after the Adoption Date, such new Exactions shall not apply to the Project or the Property.

### 7.3 **Confirmations**

7.3.1 **Parking.** For the purposes of determining the parking requirements applicable to the Property, the Project shall comply with the Project Approvals.

7.3.2 **Alcohol.** The sale, service, and consumption of alcohol (beer, wine and distilled spirits, including in the form of bottle service) inside the Arena and elsewhere within the Sports and Entertainment Complex is permitted, subject to compliance with applicable state law and the Project Approvals.

7.3.3 **Public Art.** In furtherance of Section 11-140 of the Inglewood Municipal Code, Developer's public art contributions shall be valued at 1% of the Project valuation, calculated by the Building and Safety Division (the "**Public Art Contribution**"), as further described in the Project Approvals. The Public Art Contribution obligations may be satisfied, at Developer's option, by either (i) the installation of public artwork, (ii) an in-lieu of fee payment, or (iii) a combination of on-site installation public artwork and an in-lieu fee payment. Advance payment of the Public Art Contribution, in whole or in part, by payment of an in-lieu fee, shall not be a condition of issuance of any building permit or certificate of occupancy. If the Developer has elected to satisfy the Public Art Contribution, in whole or in part, by payment of an in-lieu fee, the in-lieu fee shall be paid prior to the issuance of the Certificate of Occupancy for the Arena. If the Developer has elected to satisfy the Public Art Contribution, in whole or in part, by the installation of public art, the installation shall be completed prior to the issuance of the Certificate of Occupancy for the Arena or within a reasonable time thereafter authorized by the Director of the City of Inglewood Parks, Recreation and Community Services Department and the Director of the City of Inglewood Economic and Community Development Department. The Director of the City of Inglewood Parks, Recreation and Community Services Department and the Director of the City of Inglewood Economic and Community Development Department, may, as appropriate, after consulting with the staff of the Arts Commission, authorize modification of the City's standards and guidelines for the installation and maintenance of on-site artwork.

7.4 **Uniform Codes Applicable** The Project shall be constructed in accordance with the provisions of the Uniform Building, Mechanical, Plumbing, Electrical and Fire Codes, City standard construction specifications, and Title 24 of the California Code of Regulations, relating to building standards, in effect at the time of approval of the appropriate building, grading, encroachment or other construction permits for the Project (collectively, the "**Codes**"), taking

into account (i) any equivalency determinations made in accordance with Existing City Laws and (ii) any provisions of the Codes that allow for the applicable building standards to be those in effect at the time of permit application.

**7.5 City's Consideration and Approval of Requested Changes in the Project** Developer may desire to further specify, modify, or expand the plans for the proposed development, use, and operation of the Project after the Adoption Date based upon more precise planning, changes in market demand, changes in development occurring in the vicinity, and similar factors. In such event, the City shall cooperate with Developer to expeditiously review and take final action on such requested changes in accordance with City's Existing City Laws and the Approvals, and all applicable State and Federal laws. Any and all staff or consultant costs necessarily incurred by the City in providing such expeditious review and final action shall be paid by the Developer to the City subject to the provisions of Section 7.2. Any change to the Project so approved by City shall not require an amendment of this Agreement. With regards to any change that is approved by City, the references in this Agreement to the Project or applicable portion thereof shall be deemed to refer to the Project as so changed and the City's approval thereof shall constitute an Approval.

**7.6 Effect of FEIR** The FEIR contains a thorough analysis of the Project and possible alternatives in compliance with CEQA. The Project Approvals include resolutions of the City Council adopting CEQA findings, including a statement of overriding considerations in accordance with CEQA Guidelines Section 15093 for those significant impacts that could not be mitigated to a less than significant level. Based on the scope of review in the FEIR, the City does not intend to conduct any further environmental review or require further mitigation under CEQA for any aspect of the Project that is vested under this Agreement. The City will rely on the FEIR to the greatest extent permissible under CEQA with respect to all Subsequent Approvals for the Project. Developer acknowledges that the City may conduct additional environmental review if required by CEQA due to any material changes to the Project, and may impose conditions on any Subsequent Approval of material changes to the Project that the City determines is to be required to address significant environmental impacts under CEQA.

**7.7 Mitigation Measures.**

**7.7.1** Developer will comply with all Mitigation Measures identified in the MMRP as the responsibility of the “owner” or the “project sponsor,” except for any Mitigation Measures that are expressly identified as the responsibility of a different Person in the MMRP. As part of these requirements, Developer shall comply with the Greenhouse Gas Emissions Conditions of Approval attached hereto as Exhibit H-1, the Air Pollutant Emissions Reduction Conditions of Approval attached hereto as Exhibit H-2, and the Transportation Demand Program Conditions of Approval attached hereto as Exhibit H-3.

**7.7.2** Developer and City will cooperate, at no out-of-pocket cost to the City, in the implementation of the Mitigation Measures identified in the MMRP, and in the ongoing monitoring and reporting requirements of the Mitigation Measures. The Developer will reimburse the City for all staff and consultant time and resources necessary to implement and monitor the Mitigation Measures. Without limiting the generality of the foregoing, City specifically acknowledges and agrees to its role and responsibilities under the Greenhouse Gas



Emissions Conditions of Approval attached hereto as Exhibit H-1, the Air Pollutant Emissions Reduction Conditions of Approval attached hereto as Exhibit H-2, and the Transportation Demand Program Conditions of Approval attached hereto as Exhibit H-3.

7.8 **Temporary Street Closures**¶ The City shall reasonably cooperate with Developer to implement temporary street closures to vehicles for major events at the Arena to eliminate vehicular conflicts and enhance pedestrian circulation during pre-event, event, and post-event hours. Street closures shall be subject to approval of the Inglewood Public Works Director or its designee, in consultation with the Inglewood Chief of Police or its designee.

7.9 **Property Tax Reassessment**¶ Commencing with the fiscal year as to which the Los Angeles County Assessor determines the new base year value for the completed Arena pursuant to California Revenue and Taxation Code section 71, and continuing for a period of three additional fiscal years thereafter, Developer agrees that it shall not initiate a proceeding under the California Revenue and Taxation Code so as to result in a reduction in the assessed value of the Project for property tax purposes below the amount of Nine Hundred Fifty-Nine Million Dollars (\$959,000,000) (the “Baseline Value”). If a proceeding initiated by Developer results in a reduction in the assessed value of the Project below the Baseline Value in violation of the preceding sentence, Developer will pay to the City the Assessment Shortfall on or before the date that the second installment of property taxes for such fiscal year is otherwise payable or, if the second installment was previously paid based on an assessed value in excess of the Baseline Value, within twenty (20) days of the Developer’s receipt of a refund on account of the reduction in assessed value. “Assessment Shortfall” means, as to each fiscal year, any amount by which (i) the property tax revenue that would be received by the City for such fiscal year if the assessed value of the Project equaled the Baseline Value exceeds (ii) the property tax revenue received by the City for such fiscal years as a result of the reduction in the assessed value of the Project. Payment of the Assessment Shortfall will constitute a cure of any Event of Default with respect to any breach by Developer of the Covenant set forth in the first sentence of this Section.

## 8. **APPLICABLE LAW**¶

8.1 **Subsequent Rules and Approvals**¶ Except as provided in Section 7.2, during the Term of this Agreement, City shall not, without Developer's written consent, apply any City ordinances, resolutions, rules, regulations or official policies enacted after the Adoption Date ("**Subsequent Rules**") that would conflict with or impede the Vested Rights of Developer set forth in Section 7 and the subsections therein or otherwise conflict with this Agreement or Existing City Laws; *provided, however*, that nothing shall prevent City from enacting and applying Subsequent Rules necessary to protect persons or property from any threatened or actual serious physical risk to health and safety, in which case City shall treat Developer in a uniform, equitable, and proportionate manner as all other properties, public and private, which are impacted by that threatened or actual serious physical risk to health and safety.

8.2 **Conflicting Laws**¶ Without limitation on the generality of Section 8.1 above, any action or proceeding of City (whether enacted by the legislative body or the electorate) undertaken without the consent of Developer that has any of the following effects on the Project shall be in conflict with the Vested Rights, this Agreement, and the Existing City Laws:

- (a) revising the Term of the Agreement;
- (b) limiting, reducing, or modifying:
  - (i) the permitted density, intensity, square footage, location, height or bulk of all or any part of the Project; or
  - (ii) the location of vehicular access or parking or the number and location of parking or loading spaces for the Project in a manner that is inconsistent with this Agreement or the Project Approvals;
- (c) limiting, changing, or controlling the availability of public utilities, services, or facilities or any privileges or rights to public utilities, services, or facilities for the Project or changing or adding additional requirements with respect to the provision of Public Improvements as contemplated by the Project Approvals;
- (d) limiting the processing of applications for or procuring of Subsequent Approvals as provided in this Agreement;
- (e) changing the event permitting requirements, parking requirements, alcohol permitting requirements, or signage provisions;
- (f) impeding or delaying the timely completion of the Project in accordance with the Project Approvals; or
- (g) changing Existing City Laws that causes an adverse impact on the use, operation, functionality, accessibility, or economic competitiveness of the Arena or Project.

8.3 **Changes in State or Federal Law**¶ This Agreement shall not preclude the application to development of the Property of Subsequent Rules mandated and required by changes in state or federal laws or regulations, provided that City agrees that, to the extent possible, such Subsequent Rules shall be implemented in a manner that does not conflict with Developer's Vested Rights.

8.4 **Subsequent Approvals**¶ Consistent with Existing City Law and the Project Approvals, the development of the Project is subject to certain future approvals and actions by City that will be approved after the Adoption Date. These future approvals include discretionary and ministerial actions by City (collectively referred to as "**Subsequent Approvals**"), which may include but are not limited to, demolition permits, SEC Design Review approvals under the SEC Design Guidelines, SEC Improvement Plans approvals under the SEC Infrastructure Plan, grading permits, building permits, final parcel and subdivision maps, lot line adjustments, and mergers. In reviewing and acting on applications for Subsequent Approvals, the City shall act expeditiously and endeavor to expedite processing, including in the manner and within the time frames provided in the Project Approvals, and shall apply the Project Approvals and Existing City Laws when considering the application and may only attach such conditions consistent with the Project Approvals and Existing City Laws as permitted in Sections 7.1 through 7.7 and

Sections 8 and 8.1. Each Subsequent Approval, once granted and final, shall be deemed to be an Approval that is automatically incorporated in, governed by, and vested under this Agreement.

**9. MASTER EVENT PERMITTING**

9.1 **Approved Event Configurations** Any and all events at the Property including, without limitation, NBA games and other sporting events, concerts, family shows, theatrical performances, trade shows, business conferences, special events, award shows, film shoots, circuses, ice shows, boxing matches, and other events are permitted uses for the Arena under Chapter 12 of the Inglewood Municipal Code. In accordance with Chapter 8, Article 3 of the Inglewood Municipal Code concerning permits, the City Council authorizes any and all events held at the Arena provided they are held in the configurations approved by the Los Angeles County Fire Department (collectively, the "**Approved Event Configurations**"). Pursuant to Section 8-28 of the Inglewood Municipal Code, City has determined that an event held in accordance with an Approved Event Configuration does not need to be subject to additional permit requirements. Developer shall not be required to receive any additional consent from the City or any committee thereof, except as otherwise provided herein, or be subject to any Exactions or other amounts to the City in connection with events held in Approved Event Configurations.

9.2 **Costs of Services** Developer shall from time to time consult and meet with the City and Los Angeles County Fire Department regarding reasonable and appropriate police, fire, emergency technicians, and ambulance requirements for each Approved Event Configuration and associated costs, taking into account past practice with respect to other venues to the extent applicable. Developer shall pay the costs of reasonable and appropriate police, fire, emergency technicians, and ambulance presence for events on the Property which would not be needed, but for that specific event.

9.3 **Coordination with Other Venues** If consistent with the Project Approvals and Section 7, the City establishes a process for coordination of event operations and scheduling among major event venues operating within the City, Developer agrees that it will periodically meet and confer with the City and with the operators of such other venues to share non-confidential information regarding past and future events; provided, however, that nothing in this Section 9.3 shall limit or restrict Developer's rights under Section 9.1.

10. **OTHER GOVERNMENTAL PERMITS** Developer shall apply for such other permits and approvals as may be required from other governmental or quasi-governmental agencies having jurisdiction over the Project as may be required for the development or operation of the Project. City shall reasonably cooperate with Developer in its endeavors to obtain such permits and approvals.

11. **EASEMENTS; IMPROVEMENTS; ABANDONMENTS** City shall reasonably cooperate with Developer and any state or federal agencies in connection with any arrangements for abandoning or vacating existing easements, right-of-ways, utilities, or facilities, including groundwater wells and pipelines, and the relocation thereof or creation of any new easements, right-of-ways, utilities, or facilities within the City in connection with the development of the Project; and if any such easement, right-of-way, utility, or facility is owned by City or an agency

of City, City or such agency shall, at the request of Developer, take such action and execute such documents as may be reasonably necessary to abandon that existing easement, right-of-way, utility, or facility and relocate them, as necessary or appropriate in connection with the development of the Project. The cost of abandonment and relocation of any such easement shall be the responsibility of Developer.

12. **DESIGN OF ON-SITE AND OFF-SITE IMPROVEMENTS**¶ Development of the Property shall be subject to City review as provided by the Project Approvals. The Project Approvals, and all improvement plans prepared in accordance with the Project Approvals, including but not limited to the SEC Infrastructure Plan, shall govern the design and scope of all on-site and off-site improvements to be constructed on or benefiting the Property. Once completed in accordance with Applicable Law, the City shall accept all Public Improvements.

13. **SUBDIVISION AND MERGER**¶ Developer shall have the right, from time to time or at any time, to apply for the subdivision of the Property, as may be necessary in order to develop, lease, or finance any portion of the Property consistent with the Existing City Laws. Any merger or lot line adjustments shall be considered a ministerial approval. It is the intent of the Parties that merger of parcels shall not be required prior to the issuance of building permits but shall be required prior to the issuance of a Certificate of Occupancy for the applicable portion of the Project.

14. **PUBLIC USE AND BENEFITS TO BE PROVIDED BY DEVELOPER**¶ In conjunction with and in furtherance of the Public Use, the Developer will provide the City, its residents, and the surrounding region with numerous public benefits, including the Public Benefits (that are public benefits in excess of those otherwise having a "nexus" to the Project, and beyond the public benefits that could be expected from the Project in absence of the Agreement) identified in Exhibit C. In exchange for the Public Benefits to the City, City shall grant the permits and approvals required for the development, use, and operation of the Project, over the Term of this Agreement in accordance with procedures provided by Applicable Law and in this Agreement, and agrees that Developer may proceed with the development, use, and operation of the Project in accordance with the Applicable Law.

15. **TRANSFERS AND ASSIGNMENTS**¶

15.1 **Transfers Prior to Release of Construction Covenants**¶ Prior to the City's issuance of a "Release of Construction Covenants" (as the term is defined under the DDA), Developer shall not Transfer all or any portion of the Property to which it has acquired title to a third party (a "**Transferee**") without the prior written approval of the City, which shall be given or reasonably withheld within five (5) City-business days; provided, however, such approval shall be given if such Transfer is permitted under the terms of the DDA or is approved by the City pursuant to the DDA.

15.2 **Transfers After Release of Construction Covenants**¶ Once the City issues a Release of Construction Covenants under the DDA, the Developer shall have the right, subject to (i) the terms of this Section 15.2 and (ii) any covenants and conditions encumbering the Transferred Property, including any applicable Public Use Restriction, to assign or transfer all or any portion of its interest, rights or obligations under this Agreement to Transferees acquiring an

interest or estate in all or any portion of the Property (the "**Transferred Property**"), including, but not limited to, purchases or long term ground leases of individual lots, parcels, or any of the buildings located within the Property. Any Transfer shall comply with the California Subdivision Map Act and Applicable Law. Developer shall provide 30 days written notice to City prior to the effective date of any Transfer of its interest in all or any portion of the Property or any of its interests, rights and obligations under this Agreement; *provided, however*, that in the case of such a Transfer to an Affiliate, Developer shall only be required to provide 10 days written notice to City. Upon the effective date of Transfer for which notice is given as provided above, the Transferee shall be deemed a Party. Developer shall remain fully liable for all obligations and requirements under this Agreement after the effective date of the Transfer, unless Developer satisfies the following conditions: (i) prior to the effective date of the Transfer, Transferee executes and delivers to City an Assignment and Assumption Agreement (to be effective upon completion of the Transfer) in the form set forth in Exhibit G to this Agreement specifying the obligations and requirements to be assumed by Developer hereunder as to the Transferred Property; and (ii) Developer has not received a notice of an Event of Developer Default that remains uncured as of the effective date of the Transfer. If the foregoing conditions are satisfied, then the Transferor shall be released from any further liability or obligation under this Agreement and the Transferee shall be deemed to be the "Developer" under this Agreement with all rights and obligations related thereto, with respect to such Transferred Property. Notwithstanding anything to the contrary contained in this Agreement, but subject to the terms of any applicable Public Use Restriction, if a Transferee Defaults under this Agreement, such Default shall not constitute a Default by Developer with respect to any other portion of the Property hereunder and shall not entitle City to terminate or modify this Agreement with respect to such other portion of the Property.

**16. MORTGAGEE OBLIGATIONS AND PROTECTIONS**

**16.1 Encumbrances on the Property** Upon obtaining title to the Property or any portion thereof, Developer may encumber the Property or any portion thereof as to which it holds title or any improvements thereon with any Mortgage securing financing with respect to the Property, whether it is before or after the recordation of the Release of Construction Covenants (as defined in the DDA); provided, however, that prior to the recordation of the Release of Construction Covenants, the proceeds of any such Mortgage shall be for the purpose of securing loans and funds to be used to develop or finance the acquisition of the Property or any portion thereof. A Mortgagee shall not be bound by any amendment, implementation, or modification to this Agreement subsequent to its approval (or deemed approval) without such Mortgagee giving its prior written consent.

**16.2 Mortgagee Obligations** A Mortgagee not in legal possession of the Property or any portion thereof shall not be subject to the obligations or liabilities of Developer under this Agreement, including the obligation to construct or complete construction of improvements or pay fees. A Mortgagee in legal possession shall not have any obligation or duty under this Agreement to construct or complete the construction of improvements, or to pay, perform or provide any fee, dedication, improvements or other Exaction or imposition. A Mortgagee in legal possession of the Property or portion thereof shall only be entitled to use the Property or to construct any improvements on the Property in accordance with the Approvals and this Agreement if Mortgagee fully complies with the terms of this Agreement.

16.3 **Mortgagee Protection**¶ This Agreement shall be superior and senior to any lien placed upon the Property, or any portion thereof, after the date of recording this Agreement, including the lien for any deed of trust or Mortgage. Notwithstanding the foregoing, no breach of this Agreement shall defeat, render invalid, diminish, or impair the lien of any Mortgage made in good faith and for value, but all the terms and conditions contained in this Agreement shall be binding upon and effective against any Person or entity, including any deed of trust beneficiary or Mortgagee that acquires title to the Property, or any portion thereof, by foreclosure, trustee's sale, deed in lieu of foreclosure, or otherwise, and any such Mortgagee or successor to a Mortgagee or assignee of a Mortgagee that takes title to the Property or any portion thereof shall be entitled to the benefits arising under this Agreement.

16.4 **Notice of Event of Developer Default to Mortgagee; Right to Cure**¶ If City receives notice from a Mortgagee requesting a copy of any notice of an Event of Developer Default given to Developer under this Agreement and specifying the address for service thereof, then City shall deliver to such Mortgagee, concurrently with service thereon to Developer, any notice given to Developer with respect to any claim by City that an Event of Developer Default has occurred or a Certificate of Non-Compliance has been issued to Developer. Each Mortgagee shall have the right during the same period available to Developer to cure or remedy, or to commence to cure or remedy, the Event of Developer Default or non-compliance as provided in this Agreement; *provided, however*, that if the Event of Developer Default, noncompliance, or Certificate of Non-Compliance is of a nature which can only be remedied or cured by such Mortgagee upon obtaining possession, such Mortgagee may seek to obtain possession with diligence and continuity through a receiver or otherwise, and shall thereafter remedy or cure the Event of Developer Default, noncompliance or Certificate of Non-Compliance within 90 days after obtaining possession. If any such Event of Developer Default, noncompliance or Certificate of Non-Compliance cannot, with diligence, be remedied or cured within such 90-day period, then such Mortgagee shall have such additional time as may be reasonably necessary to remedy or cure such Event of Developer Default, noncompliance or Certificate of Non-Compliance (including but not limited to proceeding to gain possession of the Property) if such Mortgagee commences a cure during such 90-day period, and thereafter diligently pursues completion of such cure to the extent reasonably possible.

17. **INTENTIONALLY OMITTED.**

18. **ESTOPPEL CERTIFICATE**¶ Any Party (the "**Requesting Party**") may at any time deliver written notice to the other Party (the "**Certifying Party**") requesting that the Certifying Party certify to the Requesting Party (and/or any proposed Transferee or Mortgagee of the Requesting Party) in writing that, to the knowledge of the Certifying Party, (a) this Agreement is in full force and effect and a binding obligation of the Parties, (b) this Agreement has not been amended or modified either orally or in writing, and if so amended, identifying the amendments, (c) the Requesting Party is not in Default in the performance of its obligations under this Agreement, or if in Default, to describe therein the nature and amount of any such Default, and (d) such other information as may reasonably be requested. A Certifying Party receiving a request hereunder shall execute and return such certificate within 30 days following the receipt of such a request. The City Manager shall have the right, but not the obligation, to execute any certificate requested by Developer hereunder in the event he or she elects to not submit the certificate request to the

City Council for its consideration. A certificate hereunder may be relied upon by the Requesting Party and any Transferee or Mortgagee to whom it has been issued.

19. **ANNUAL REVIEW**

19.1 **Review Date** The annual review date for this Agreement shall occur on October 1 of each full calendar year following the Effective Date of this Agreement ("**Annual Review Date**"). During each annual review, Developer shall be required to demonstrate good faith compliance with the terms of this Agreement, including, without limitation, compliance with the Greenhouse Gas Emissions Condition of Approval set forth in Exhibit H-1.

19.2 **Required Information from Developer** By June 1 of each year prior to the Annual Review Date, Developer shall provide a letter to the City Manager containing evidence of good faith compliance with this Agreement. Upon the written request of City, which shall be made, if at all, within 60 days of the submission of Developer's letter, Developer shall also furnish such reasonable additional evidence and documentation of such good faith compliance as the City, in the exercise of its reasonable discretion, may require ("Additional Documentation").

19.3 **City Report** Within 60 days after receipt by the City Manager of Developer's Additional Documentation, the City Manager shall review the Additional Documentation submitted by Developer and all other available evidence of Developer's compliance with this Agreement. Following such review, the City Manager shall timely notify Developer in writing whether Developer has complied with the terms of this Agreement and shall issue a Certificate of Compliance to Developer, if such is the case. If City Manager finds Developer is not in compliance, the City Manager shall timely issue a Certificate of Non-Compliance to Developer, together with any available evidence of such non-compliance, after complying with the procedures set forth in Section 19.4.

19.4 **Non-Compliance with Agreement; Hearing** Prior to issuing a Certificate of Non-Compliance, if the City Manager finds that Developer has not complied with the terms of this Agreement, the City Manager shall indicate in writing to Developer, with reasonable specificity, any aspect in which Developer has failed to comply. The City Manager shall also specify a reasonable time for Developer to meet the terms of compliance, which time shall be not less than 30 days, and shall be reasonably related to the time necessary for Developer to adequately bring its performance into compliance with the terms of this Agreement, subject to any Permitted Delay; *provided, however*, that if the noncompliance solely involves a monetary Default, then the City Manager may require payment from Developer within 10 business days.

If Developer fails to adequately bring its performance into compliance as set forth above, then the City Manager shall issue a Certificate of Non-Compliance to Developer indicating (1) with reasonable specificity the reason(s) for the determination, in the manner prescribed in Section 19.3, and (ii) whether the City Manager is or is not recommending that the City Council modify or Terminate this Agreement. If the Certificate of Non-Compliance does not recommend modification or Termination of this Agreement, then the City Council, upon the receipt of a written request of Developer within 10 days of the City Manager's issuance of the Certificate of Non-Compliance, shall conduct a meeting within 45 days of City Council's receipt of Developer's request. Developer shall be given 10 days written notice of the meeting and copies

of any additional evidence not previously provided to Developer upon which the City Manager made their determination that the Developer did not adequately bring its performance into compliance. If the City Manager issues a Certificate of Non-Compliance that includes a recommendation that the City Council modify or Terminate this Agreement, then the City Council shall conduct a noticed public hearing within 45 days in accordance with Applicable Law. Developer shall be given copies of any additional evidence not previously provided to Developer upon which the City Manager made their determination as to compliance. Developer shall have the opportunity to present evidence at any public hearing. If the City Council determines that Developer is not in compliance with this Agreement at such public hearing, it may Terminate this Agreement, or initiate proceedings to modify or otherwise enforce it.

19.5 **Appeal of Determination**¶ The decision of the City Council as to Developer's compliance shall be final, and any court action or proceeding to attack, review, set aside, void, or annul that decision shall be commenced within 30 days of the City Council's final decision.

19.6 **Costs**¶ Costs reasonably incurred by City in connection with the annual review conducted pursuant to Section 19.1 and related hearings shall be paid by Developer in accordance with City's schedule of fees and billing rates for staff time in effect at the time of review. Such costs shall also include the cost of consultants necessarily and reasonably incurred by City in carrying out its obligations pursuant to this Section 19.6.

19.7 **Default**¶ The rights and powers of the City Council under this Section 19 are in addition to, and shall not limit, the rights of City to Terminate or take other action under this Agreement on account of the commission by Developer of an Event of Developer Default.

## 20. **INDEMNIFICATION**¶

20.1 **Obligation to Indemnify**¶ Developer agrees to indemnify, defend, and hold harmless City, any City agencies and their respective elected and appointed councils, boards, commissions, officers, agents, employees, contractors, volunteers and representatives (collectively, the "**Indemnified Parties**") from any and all losses, liability, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including but not limited to personal injury, death and property damage) (collectively, "**Losses**") and from any and all claims, demands, and actions in law or equity (including reasonable attorneys' fees and litigation expenses) by any third party (collectively, "**Claims**") that are (a) directly or indirectly arising or alleged to have arisen out of or in any way related to the approval of this Agreement or the Project Approvals or (b) incurred by an Indemnified Party as a result of Developer's failure to comply with any Environmental Law. Notwithstanding the foregoing, Developer shall have no indemnification obligation pursuant to clause (b), above, with respect to the gross negligence or willful misconduct of any Indemnified Party. The obligations under this Section 20 shall survive Termination of this Agreement.

### 20.2 **Indemnification Procedures**¶

20.2.1 In order for an Indemnified Party to be entitled to indemnification provided under this Section 20 in respect of, arising out of, or involving a Loss or a Claim by any Person against the Indemnified Party (each, an "**Indemnification Claim**"), such Indemnified



Party shall promptly give notice, in writing and in reasonable detail, to Developer thereof; provided, that failure to give reasonable prompt notification shall not affect the indemnification provided hereunder except to the extent Developer shall have been actually and materially prejudiced as a result of such failure to promptly notify.

20.2.2 Developer shall have the right, at its sole option and expense, to be represented by counsel of its choice, which must be reasonably satisfactory to the Indemnified Party, and to defend against, negotiate, settle or otherwise deal with any Indemnification Claim which relates to any Losses indemnified against by it hereunder. If Developer elects to defend against, negotiate, settle or otherwise deal with any Indemnification Claim which relates to any Losses indemnified against by it hereunder, it shall within 30 days (or sooner, if the nature of the Indemnification Claim so requires) notify the Indemnified Party in writing of its intent to do so. If Developer elects not to defend against, negotiate, settle, or otherwise deal with any Indemnification Claim which relates to any Losses indemnified against hereunder, the Indemnified Party may (at Developer's sole cost and expense) defend against, control, negotiate, settle, or otherwise deal with such Indemnification Claim. If Developer shall assume the defense of any Indemnification Claim, the Indemnified Party may participate, at its expense, in the defense of such Indemnification Claim; *provided, however*, that such Indemnified Party shall be entitled to participate in any such defense with separate counsel at the expense of Developer only if (a) so requested by Developer to participate or (b) the nature of the claim creates an ethical conflict for the same counsel to defend the Indemnified Party and Developer; and provided, further, that Developer shall not be required to pay for more than one such counsel for all Indemnified Parties in connection with any Indemnification Claim. The Parties shall cooperate fully with each other in connection with the defense, negotiation, or settlement of any such Indemnification Claim. Notwithstanding anything to the contrary herein, neither Developer nor the Indemnified Party shall, without the written consent of the other party (which shall not be unreasonably withheld, conditioned, or delayed), settle or compromise any Indemnification Claim or permit a default or consent to entry of any judgment unless (x) the claimant(s) and such party provide to such other party an unqualified release from all liability in respect of the Indemnification Claim and (y) in the case of any such settlement, compromise, consent to default, or to entry of any judgment by Developer, such settlement, compromise, or judgment otherwise provides solely for payment of monetary damages for which the Indemnified Party will be indemnified in full.

21. **AMENDMENT, CANCELLATION, OR SUSPENSION**

21.1 **Modification Because of Conflict with State or Federal Laws** In the event that State or Federal laws or regulations enacted after the Effective Date of this Agreement prevent or preclude compliance with one or more provisions of this Agreement or require substantial and material changes in the Approvals, the Parties shall meet and confer in good faith in a reasonable attempt to modify this Agreement to comply with such law or regulation. Any such amendment to the Agreement that is agreed upon by the Parties shall be submitted for approval consideration by the City Council in accordance with California law, the City's Municipal Code, and this Agreement.

21.2 **Amendment by Mutual Consent**¶ This Agreement may be amended in writing from time to time by mutual consent of the Parties and in accordance with the procedures of California law and the City's Municipal Code, or as otherwise permitted by this Agreement.

21.3 **Substantive Amendments**¶ Any Substantive Amendment to the Agreement shall require the City's approval in accordance with Applicable Law. "**Substantive Amendment**" means any change to the term of this Agreement beyond the Term and provision(s) in this Agreement related to monetary contributions or payments by Developer.

21.4 **Minor Amendment**¶ A "**Minor Amendment**" is any amendment of this Agreement other than a Substantive Amendment, including waiver of conditions for the benefit of another party and modifications to the Project's Mitigation Measures or conditions to the Approvals, provided that the City Manager finds that, on the basis of substantial evidence, the changed measures or conditions are equivalent to or more effective. The City Manager and Developer may approve a Minor Amendment by written agreement without a public hearing to the extent permitted by Applicable Law, including without limitation Government Code Section 65868; provided however, the City Manager shall have the discretion to seek such approval by the City Council.

21.5 **Cancellation/Termination**¶ This Agreement may be Terminated in whole or in part by the mutual consent of City and Developer or their successors in interest, in accordance with Applicable Law. The City shall retain any fees or payments of any kind paid under this Agreement or any other agreement relating to this Agreement and made prior to the date of termination. In addition, notwithstanding any other provision of this Agreement, if the DDA is terminated prior to the conveyance of title and possession of the Property to the Developer, this Agreement shall also terminate.

## 22. **DEFAULT**¶

22.1 **Developer Default**¶ Any of the actions referenced below shall constitute an event of default on the part of Developer ("**Event of Developer Default**"). Upon an Event of Developer Default (other than an event of default under subparagraph (a) below), the City shall give written notice of default to Developer, specifying the default at issue. City may not exercise any rights or remedies upon a default by Developer, unless and until such default continues beyond any applicable cure period set forth in this Section 21.1 after written notice thereof from City. Developer shall have the opportunity to appear before the City Council at a public hearing prior to the exercise of any of City's rights or remedies under this Agreement with respect to an Event of Developer Default.

- (a) Developer is dissolved or terminated; or
- (b) Developer fails to keep, observe, or perform any of its covenants, duties or obligations under this Agreement in any material respect, and the default continues for a period of 10 days in the event of a monetary default or 30 days after written notice thereof from City to Developer, or in the case of a default which cannot with due diligence be cured within 30 days, Developer fails to commence to cure the default within 30 days of such

notice and thereafter fails to pursue the curing of such default with due diligence and in good faith to completion.

22.2 **City Default**¶ An event of default on the part of City ("**Event of City Default**") shall arise if City fails to keep, observe, or perform any of its covenants, duties, or obligations under this Agreement, and the default continues for a period of 10 days in the event of a monetary default or 30 days after written notice thereof from Developer to City, or in the case of a default which cannot with due diligence be cured within 30 days, City fails to commence to cure the default within 30 days of such notice and thereafter fails to prosecute the curing of such default with due diligence and in good faith to completion. Developer shall give written notice of default to City, specifying the default at issue. Developer may not exercise any rights or remedies upon an Event of City Default, unless and until such default continues beyond any applicable cure period set forth in this Section 22.2 after written notice thereof from Developer.

23. **REMEDIES FOR DEFAULT**¶ Subject to the notice and cure provisions in Section 22, the sole and exclusive judicial remedy for any Party in the event of a Default by the other Party shall be an action in mandamus, specific performance, or other injunctive or declaratory relief. In addition, upon the occurrence of a Default and subsequent to the procedures described in Section 22, the non-defaulting Party shall have the right to Terminate this Agreement, but any such Termination shall not affect such Party's right to seek a remedy on account of the Default for which this Agreement has been Terminated, and shall be subject to the procedures specified in this Agreement. The City, any City agencies, and their respective elected and appointed councils, boards, commissions, officers, agents, employees, volunteers and representatives (collectively, for purposes of this Section 23, "**City**") shall not be liable for any monetary damages for an Event of City Default or any claims against City arising out of this Agreement. Developer waives any such monetary damages, including consequential, punitive, and special damages, against City. Similarly, Developer and its officers, directors, agents, employees, volunteers, and representatives (collectively, for purposes of this Section 23, "**Developer**") shall not be liable for any monetary damage for a Default by Developer or any claims against Developer arising out of this Agreement. City waives any such monetary damages, including consequential, punitive, and special damages against Developer. Any legal action by a Party alleging a Default must be filed within 180 days from the end of the default procedure described in Section 24.

24. **PROCEDURE REGARDING DEFAULTS**¶ For purposes of this Agreement, a Party claiming another Party is in Default shall be referred to as the "**Complaining Party**," and the Party alleged to be in Default shall be referred to as the "**Party in Default**." A Complaining Party shall not exercise any of its remedies as the result of Default unless such Complaining Party first gives notice to the Party in Default as provided in this Section, and the Party in Default fails to cure such Default within the applicable cure period.

24.1 **Notice**¶ The Complaining Party shall give written notice of Default to the Party in Default, specifying the Default alleged by the Complaining Party. Delay in giving such notice shall not constitute a waiver of any Default nor shall it change the time of Default.

24.2 **Cure**¶ Subject to Section 30, the Party in Default shall have 30 days from receipt of the notice of Default to effect a cure prior to exercise of remedies by the Complaining Party. If

the nature of the alleged Default is such that it cannot, practicably be cured within such 30-day period, the cure shall be deemed to have occurred within such 30-day period if: (a) the cure shall be commenced at the earliest practicable date following receipt of the notice; (b) the cure is diligently prosecuted to completion at all times thereafter; (c) at the earliest practicable date (in no event later than 30 days after the curing Party's receipt of the notice), the curing Party provides written notice to the other Party that the cure cannot practicably be completed within such 30-day period; and (d) the cure is completed at the earliest practicable date. The Party in Default shall diligently endeavor to cure, correct, or remedy the matter complained of, provided such cure, correction or remedy shall be completed within the applicable time period set forth herein after receipt of written notice (or such additional time as may be agreed to by the Complaining Party to be reasonably necessary to correct the matter).

**24.3 Failure to Assert**¶ Any failures or delays by a Complaining Party in asserting any of its rights and remedies as to any Default shall not operate as a waiver of any Default or of any such rights or remedies. Delays by a Complaining Party in asserting any of its rights and remedies shall not deprive the Complaining Party of its right to institute and maintain any actions or proceedings, which it may deem necessary to protect, assert, or enforce any such rights or remedies.

**24.4 Procedure for Terminating Agreement upon Default**¶ If City desires to Terminate this Agreement in the event of an Event of Developer Default, the matter shall be set for a public hearing before the City Council. The burden of proof of whether a Party is in Default shall be on the Party alleging Default. If the City Council determines that an Event of Developer Default has occurred and has not been cured to City's reasonable satisfaction, or that the Event of Developer Default presents a serious risk to public health, safety, or welfare, the City Council may Terminate this Agreement.

**24.5 No Cross Default**¶ Notwithstanding anything to the contrary in this Agreement, if Developer has effected a Transfer so that its interest in the Property has been divided between Transferees, then any determination that a Party is in Default shall be effective only as to the Party to whom the determination is made and the portions of the Property in which such Party has an interest.

**25. ATTORNEYS' FEES AND COSTS IN LEGAL ACTIONS BY PARTIES TO THE AGREEMENT**¶ If any Party brings an action or proceeding (including, without limitation, any cross-complaint, counterclaim, or third-party claim) against the other Party by reason of a Default, or otherwise arising out of this Agreement, the Prevailing Party in such action or proceeding shall be entitled to its costs and expenses of suit, including reasonable attorneys' fees (including, without limitation, costs and expenses), which shall be payable whether or not such action is prosecuted to judgment. "**Prevailing Party**" within the meaning of this Section 25 shall include, without limitation, a Party who dismisses an action for recovery hereunder in exchange for payment of the sums allegedly due, performance of covenants allegedly breached, or consideration substantially equal to the relief sought in the action.

**26. ATTORNEYS' FEES AND COSTS IN LEGAL ACTIONS BY THIRD PARTIES TO THE AGREEMENT**¶ If any Person or entity not a party to this Agreement initiates an action at law or in equity to challenge the validity of any provision of this Agreement or the

Approvals, the Parties shall fully cooperate in defending such action. Developer shall bear its own costs of defense as a real party in interest in any such action, and Developer shall reimburse City for all reasonable costs (including court costs) and reasonable attorneys' fees actually incurred by City in defense of any such action or other proceeding. In its sole discretion, City may tender its defense of such action to Developer or defend the action itself. Upon a tender of defense to Developer by City, Developer shall defend through counsel approved by City, which approval shall not be unreasonably withheld, and Developer shall bear all reasonable attorneys' fees and costs from the date of tender.

27. **BINDING ON SUCCESSORS; AGREEMENT RUNS WITH THE LAND**¶ Except as otherwise expressly provided for in this Agreement, upon the Effective Date, all of the provisions, agreements, rights, terms, powers, standards, covenants, and obligations contained in this Agreement shall be binding upon the Parties, and their respective heirs, successors and assignees. Upon recording of this Agreement with respect to each portion of the Property, all of the provisions of this Agreement shall be binding on all other Persons acquiring the Property, or any portion thereof, or any interest therein, whether by operation of law or in any manner whatsoever, and shall be enforceable as equitable servitudes and shall constitute covenants running with the land pursuant to Applicable Law, including Section 1468 of the California Civil Code.

28. **BANKRUPTCY**¶ The obligations of this Agreement shall not be dischargeable in bankruptcy.

29. **INSURANCE**¶

29.1 **Public Liability and Property Damage Insurance**¶ At all times that Developer is constructing any improvements that are part of the Project ("**Construction Work**"), Developer shall maintain in effect a policy of comprehensive commercial general liability insurance with a per-occurrence single limit of not less than \$2,000,000, an additional \$25,000,000 in umbrella and excess liability coverage, and a self-insured retention of not more than \$250,000 per claim. This self-insured retention may be increased based on the availability of insurance with such self-insured retentions at commercially reasonable premiums. The policy so maintained by Developer shall name City as an additional insured and shall include either a severability of interest clause or cross-liability endorsement.

29.2 **Workers' Compensation Insurance**¶ At all times that Developer is undertaking the Construction Work, Developer shall maintain workers' compensation insurance as required by California law for all persons employed by Developer for work at the Project site. Developer shall require each contractor and subcontractor similarly to provide workers' compensation insurance for its respective employees. Developer shall indemnify City for any damage resulting from Developer's failure to maintain any such insurance.

29.3 **Evidence of Insurance**¶ Prior to commencement of the Construction Work, Developer shall furnish City satisfactory evidence of the insurance required in Sections 29.1 and 29.2 and evidence that Developer is required to give the City at least 15 days prior written notice of the cancellation or reduction in coverage of a policy. The insurance shall extend to City, other City agencies, and their respective elective and appointive boards, commissions, officers, agents,

employees, volunteers, and representatives as additional insureds with respect to this Agreement and to Developer performing work on the Project.

30. **EXCUSE FOR NONPERFORMANCE**¶ Notwithstanding any provision of this Agreement to the contrary, Developer and City shall be excused from performing any obligation or undertaking provided in this Agreement in the event of, and so long as the performance of any such obligation is prevented or delayed, retarded or hindered by, a(n) act of God, fire, earthquake, flood, explosion, action of the elements, war, invasion, insurrection, riot, mob violence, sabotage, inability to procure or general shortage of labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strikes, lockouts, condemnation, requisition, Applicable Law, litigation, orders of governmental, civil, military or naval authority, or any other cause, whether similar or dissimilar to the foregoing, not within the control of the Party claiming the extension of time to perform (a "**Permitted Delay**").

31. **THIRD PARTY BENEFICIARIES**¶ This Agreement is made and entered into for the sole protection and benefit of Developer and City and their successors and assigns. No other Person shall have any right of action based upon any provision in this Agreement. There is no third party beneficiary to this Agreement and nothing contained herein shall be construed as giving any Person third party beneficiary status.

32. **SEVERABILITY**¶ Except as set forth herein, if any term, covenant or condition of this Agreement or the application thereof to any Person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term, covenant or condition to Persons, entities or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law; *provided, however*, if any provision of this Agreement is determined to be invalid or unenforceable and the effect thereof is to deprive a Party of an essential benefit of its bargain hereunder, then such Party so deprived shall have the option to Terminate this entire Agreement (with respect to the portions of the Property in which such Party has an interest) from and after such determination.

33. **WAIVER: REMEDIES CUMULATIVE**¶ Failure by a Party to insist upon the strict performance of any of the provisions of this Agreement by the other Party, irrespective of the length of time for which such failure continues, shall not constitute a waiver of such Party's right to demand strict compliance by such other Party in the future. The Party for whose benefit a covenant or commitment is provided may waive its rights pursuant to that commitment or covenant, provided that no waiver by a Party of a Default shall be effective or binding upon such Party unless made in writing by such Party and no such waiver shall be implied from any omission by a Party to take any action with respect to such Default. No express written waiver of any Default shall affect any other Default, or cover any other period of time, other than any Default and/or period time specified in such express waiver. Except as provided in Section 23, all of the remedies permitted or available to a Party under this Agreement, or at law or in equity, shall be cumulative and not alternative, and invocation of any such right or remedy shall not constitute a waiver or election of remedies with respect to any other available right or remedy.

34. **APPLICABLE LAW AND VENUE**¶ This Agreement, and the rights and obligations of the Parties, shall be governed by and interpreted in accordance with the laws of the State of

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California. Any lawsuit or legal proceeding arising hereunder shall be heard in the United States District Court for the Central District if in federal court or, if in California Superior Court, the Los Angeles County Superior Court, Southwest District located at 825 Maple Avenue, Torrance, California 90503-5058.

35. **NOTICES** Any notice to either Party required by this Agreement, the enabling legislation, or the procedure adopted pursuant to Government Code Section 65865, shall be in writing and given by delivering the same to such Party in person or by sending the same by registered or certified mail, or express mail, return receipt requested, with postage prepaid, to the Party's mailing address. The respective mailing addresses of the Parties are, until changed as hereinafter provided, the following:

City: City of Inglewood  
One Manchester Boulevard  
Inglewood, California 90301  
Attention: City Manager

with a copy to: Office of the City Attorney  
One Manchester Boulevard  
Inglewood, California 90301  
Attention: City Attorney

with a copy to: Kane, Ballmer & Berkman  
(and shall not constitute 515 S. Figueroa Street, Suite 780  
notice to City) Los Angeles, California 90071  
Attention: Royce K. Jones

Developer: Murphy's Bowl LLC  
PO Box 1558  
Bellevue, WA 98009-1558  
Attention: Brandt A. Vaughan

with a copy to: Wilson Meany  
(and shall not constitute Four Embarcadero Center, Suite 3330  
notice to Developer) San Francisco, CA 94111  
Attention: Chris Meany

with a copy to: Helsell Fetterman, LLP  
(and shall not constitute 1001 Fourth Avenue, Suite 4200  
notice to Developer) Seattle, WA 98154  
Attention: Mark Rising

with a copy to: Coblenz Patch Duffy & Bass LLP  
(and shall not constitute One Montgomery Street, Suite 3000  
notice to Developer) San Francisco, CA 94104  
Attention: Matthew J. Bove

Any Party may change its mailing address at any time by giving written notice of such change to the other Party in the manner provided herein at least 10 business days prior to the date such change is affected. All notices under this Agreement shall be deemed given, received, made, or communicated on the date personal delivery is affected or, if mailed, on the delivery date or attempted delivery date shown on the return receipt.

36. **FORM OF AGREEMENT; RECORDATION; EXHIBITS**¶ City shall cause this Agreement, any amendment hereto, any notice of modification of a Project Approval and any Termination of any parts or provisions hereof, to be recorded, at Developer's expense, with the County Recorder within 10 days of the effective date thereof. Any amendment or Termination of this Agreement to be recorded that affects less than all of the Property shall describe the portion thereof that is the subject of such amendment or Termination. This Agreement is executed in three duplicate originals, each of which is deemed to be an original.

This Agreement consists of \_ pages and \_ Exhibits (Exhibits A- H-3), which constitute the entire understanding and agreement of the Parties.

37. **FURTHER ASSURANCES**¶ Each Party covenants, on behalf of itself and its successors, heirs and assigns, to take all actions and do all things, and to execute, with acknowledgment or affidavit if required, any and all documents and writings that may be necessary or proper to achieve the purposes and objectives of this Agreement.

38. **APPROVALS**¶ Unless otherwise herein provided, whenever a determination, approval, consent, or satisfaction (herein collectively referred to as "**consent**") is required of a Party pursuant to this Agreement, such consent shall not be unreasonably withheld, conditioned, or delayed. If a Party shall not consent, the reasons therefore shall be stated in reasonable detail in writing. Consent by a Party to or of any act or request by the other Party shall not be deemed to waive or render unnecessary consent to or of any similar or subsequent acts or requests. Consent given or withheld by the City Manager may be appealed by Developer to the City Council.

39. **ENTIRE AGREEMENT**¶ This written Agreement, including the Exhibits attached hereto, together with the DDA, contain all the representations and the entire agreement between the Parties with respect to the subject matter hereof. Except as otherwise specified in this Agreement, any prior correspondence, memoranda, agreements, warranties, or representations are superseded in total by this Agreement.

40. **CONSTRUCTION OF AGREEMENT**¶ The provisions of this Agreement and the Exhibits shall be construed as a whole according to their common meaning and not strictly for or against any Party in order to achieve the objectives and purpose of the Parties. The captions preceding the text of each Article, Section, subsection and the Table of Contents are included only for convenience of reference and shall be disregarded in the construction and interpretation of this Agreement. Wherever required by the context, the singular shall include the plural and vice versa, and the masculine gender shall include the feminine or neuter genders, or vice versa. Unless otherwise specified, whenever in this Agreement reference is made to the Table of Contents, any Article or Section, or any defined term, such reference shall be deemed to refer to the Table of Contents, Article, Section, or defined term of this Agreement. Exhibits to this Agreement shall be incorporated into this Agreement as if stated fully herein. The use in this



Agreement of the words "including," "such as," or words of similar import when following any general term, statement, or matter shall not be construed to limit such statement, term or matter to the specific items or matters, whether or not language of non-limitation, such as "without limitation" or "but not limited to," or words of similar import, are used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such statement, term, or matter. This Agreement has been reviewed and revised by legal counsel for the Developer and City, and no presumption or rule that ambiguities shall be construed against the drafting Party shall apply to the interpretation or enforcement of this Agreement.

41. **NEXUS/REASONABLE RELATIONSHIP CHALLENGES**¶ Developer consents to, and waives any and all rights it may have now or in the future to challenge the legal validity of, this Agreement or the Project Approvals (to the extent approved in the forms agreed with Developer), including any conditions, requirements, policies or programs imposed in this Agreement including, without limitation, any claim that any conditions, requirements, policies or programs may constitute an abuse of police power, violate substantive due process, deny equal protection of the laws, effect a taking of property without payment of just compensation or impose an unlawful tax or fee.

42. **SIGNATURE PAGES**¶ For convenience, the signatures of the Parties to this Agreement may be executed and acknowledged on separate pages in counterparts which, when attached to this Agreement, shall constitute this as one complete Agreement.

43. **TIME**¶ Time is of the essence of this Agreement and of each and every term and condition hereof.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

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**IN WITNESS WHEREOF**, the City of Inglewood, a municipal corporation, has authorized the execution of this Agreement in duplicate by its Mayor and attested to by its City Clerk under the authority of Ordinance No. \_\_\_\_\_, adopted by the City Council of the City of Inglewood on the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_, and Developer has caused this Agreement to be executed.

**"CITY"**

**CITY OF INGLEWOOD,**  
a municipal corporation

By: \_\_\_\_\_  
James T. Butts, Jr.  
Mayor

**"DEVELOPER"**

**MURPHY'S BOWL LLC,**  
a Delaware limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ATTEST:**

By: \_\_\_\_\_  
City Clerk

**APPROVED AS TO FORM:**

**Kenneth R. Campos**  
City Attorney

By: \_\_\_\_\_  
Kenneth R. Campos

**APPROVED:**

**KANE BALLMER & BERKMAN**  
Special City Counsel

By: \_\_\_\_\_  
Royce K. Jones

**DEVELOPMENT AGREEMENT**

**EXHIBIT LIST**

- Exhibit A - Depiction of Property
- Exhibit A-1 - City Parcels
- Exhibit A-2 - Potential Participating Parcels
- Exhibit B - List of Project Approvals
- Exhibit C - Public Benefits
- Exhibit D - Applicable Exactions
- Exhibit E - Intentionally Omitted
- Exhibit F - Conditions of Approval for Access and Maintenance of Plaza
- Exhibit G - Form of Assignment and Assumption Agreement
- Exhibit H-1 - Greenhouse Gas Emissions Condition of Approval
- Exhibit H-2 - Air Pollutant Emissions Reduction Condition of Approval
- Exhibit H-3 - TDM Program Condition of Approval

**EXHIBIT A**

**Depiction of Property**

*[forthcoming]*

**EXHIBIT A-1**

**City Parcels**

*[forthcoming]*

**EXHIBIT A-2**

**Potential Participating Parcels**

*[forthcoming]*

**EXHIBIT B**

**List of Project Approvals**

- A. Resolution No. \_\_\_\_\_, certifying the FEIR;
- B. Resolution No. \_\_\_\_\_, adopting findings and a statement of overriding considerations for significant and unavoidable impacts of the Project;
- C. Resolution No. \_\_\_\_\_, amending the General Plan's Land Use, Circulation (Transportation) and Safety Elements;
- D. Resolution No. \_\_\_\_\_, amending the Inglewood International Business Park Specific Plan (IIBPSP) to exclude the Property from IIBPSP requirements if developed in connection with the Project;
- E. Ordinance No. \_\_\_\_\_, establishing the Sports and Entertainment Overlay Zone over a portion of the Property;
- F. Resolution No. \_\_\_\_\_, establishing the Sports and Entertainment Complex Design Guidelines and Infrastructure Plan;
- G. Ordinance No. \_\_\_\_\_, adopting certain waivers and amendments to the Inglewood Municipal Code;
- H. Ordinance No. \_\_\_\_\_, approving the Development Agreement between the City of Inglewood and Murphy's Bowl LLC; and
- I. This Development Agreement.

**EXHIBIT C**

**Public Benefits**

Subject to the terms of the Agreement, the development of the Project will provide the City, its residents, and the surrounding region with the Public Benefits listed in Section 1 through Section 22 below. These Public Benefits are public benefits in excess of those otherwise having a nexus to the Project and beyond what could be expected from the Project in absence of the Agreement. Capitalized terms used in this Exhibit C and not otherwise defined herein shall have the meanings assigned to them in the Agreement.

**Creation of Local Jobs & Workforce Equity**

1. **Minority/Disadvantaged Business Enterprises Participation Goals.** In the development of the Project, Developer shall require that all construction contractors have a goal to achieve participation by minority/disadvantaged business enterprises (the "**MBE/DBEs**") of at least 30% of the total value of funds awarded for contracts and subcontracts related to construction activities during the Project, with a goal of at least 50% of that 30% goal being awarded to local qualified businesses located in Inglewood, as more fully set forth in the DDA.

2. **Local Employment Opportunities.** Events at the Arena will result in additional employment opportunities for Inglewood residents and businesses. Developer, as the owner of the Arena, shall engage in the following steps with the goal of hiring qualified Inglewood residents for no less than 35% of the employment positions needed in connection with event operations at the Arena, including employment positions with Developer's contractors, subcontractors, and vendors providing services in connection with events held inside the Arena, such as food and beverage service, hospitality, and event security ("**Event Operations Providers**"): (i) upon commencement of a job search, publication of employment opportunities once each week in a newspaper of general circulation in Inglewood for at least 3 weeks (unless the job is filled sooner), and (ii) utilization of the resources and networks of the WOCP (as defined in Section 4 of this Exhibit) to identify and solicit qualified Inglewood residents. The obligations of Developer and its Event Operations Providers with respect to this goal shall be satisfied by engaging in the following activities: (i) utilization of the WOCP to identify and solicit qualified Inglewood residents; (ii) coordination with organizations such as the South Bay Workforce Investment Board, to identify and solicit qualified Inglewood residents; and (iii) funding (by Developer only) and participation in job fairs as provided in Section 3 of this Exhibit. This paragraph does not apply to Developer's contractors, subcontractors, and vendors providing services other than in connection with events held inside the Arena.

3. **Job Fairs.** Developer shall contribute a maximum of \$150,000 over the lifetime of the Project in order to fund at least 4 job fairs and related advertising and promotion for those job fairs. At least one job fair shall take place 3 months prior to the commencement of construction of the Project, with the second job fair to take place no later than six months prior to the first ticketed event held after the opening of the Arena. All job fairs shall be open to the general public and include information about available employment opportunities, as well as opportunities to submit resumes and applications. Developer shall publish notice of each jobs



fair once each week in a newspaper of general circulation in Inglewood for 3 weeks prior to that job fair.

4. **Workforce Outreach Coordination Program.** In consultation with the City, Developer shall fund a Workforce Outreach Coordination Program (the "**WOCP**") in the aggregate amount of \$600,000, over a period of 4 years, starting from the Effective Date. Funding for the WOCP shall include the costs of outreach and marketing, and the retention of a qualified Workforce Outreach Coordinator. Developer shall hire a local qualified Workforce Outreach Coordinator for the construction period, and shall designate a Workforce Outreach Coordinator on the Arena operations staff following completion of construction, whose job responsibilities shall include marshaling and coordinating workforce outreach, and training and placement programs for the following types of positions: (i) construction jobs, including pre-apprentice programs; (ii) employees working for Event Operations Providers; and (iii) employees working for Developer-owned and other retail operations at or around the Arena. The Workforce Outreach Coordinator shall also marshal and coordinate workforce outreach and training and placement programs by engaging in the following community outreach activities: (i) advertising available workforce programs; (ii) establishing a community resources list that includes the Inglewood Chamber of Commerce, service organizations, block clubs, community town hall meetings, and religious organizations; and (iii) notification and advertising of upcoming job opportunities and job fairs as described in this Exhibit C. The overall objectives and goals of the WOCP shall include: (i) establishing strategic community outreach partners with existing organizations such as community organizations, churches, and state and local resources; (ii) partnering with community organizations to facilitate intake and assess potential job training candidates; (iii) building working relationships with contractors, religious organizations, local political leaders and other local organizations; (iv) working with contractors to estimate the number of employment opportunities and required skills; and (v) monitoring efforts by contractors as required in this Section 4. In furtherance of these objectives, the Workforce Outreach Coordinator shall also coordinate with existing organizations, which offer employment and training programs for Inglewood residents, such as the South Bay Workforce Investment Board and other similar organizations so that the expertise of that organization is matched with the particular Project need, it being recognized that the needs of the Project and the available organizations will change over time.

5. **Job Training for Inglewood Residents.** Developer shall contribute \$250,000, over a period of 5 years commencing on the Effective Date, to fund programs, managed by the South Bay Workforce Investment Board or similar organization(s) selected by Developer, that will provide job skills to Inglewood residents entering the job market.

6. **Construction Opportunities for the Formerly Incarcerated.** Developer shall contribute a total of \$150,000, over a period of 3 years commencing on the Effective Date, to fund job placement programs for formerly incarcerated individuals in the building and construction trades. Funds shall be contributed to one or more community based nonprofit organizations ("**CBOs**"), shall be restricted to the purposes set forth in this paragraph, and shall be subject to administrative and program guidelines approved by Developer.

7. **Project Labor Agreement for Project Construction.** A large labor pool will be required to execute the work involved in the development of the Project. Towards that end,

Developer's general contractor for the Project has entered into a Project Labor Agreement (“**PLA**”) with the Los Angeles/Orange County Building and Construction Trades, on behalf of its affiliate local unions and district councils. The PLA is intended to ensure that a sufficient supply of skilled craft workers are available to work throughout the Project, and that such work will proceed in a safe and efficient manner with due consideration for the protection of labor standards, wages, and working conditions.

8. **Leased Space to Inglewood Restaurant.** Developer shall make good faith efforts to lease at least one restaurant space in the Project to a qualified Inglewood business for at least one year on market terms. If the restaurant space has not been leased to a qualified Inglewood business within one year of its availability, after good faith efforts to do so, the restaurant space shall be made available for lease to the general market.

### **Commitments to Affordable Housing & Renter Support**

9. **Funding for Affordable Housing.** Developer shall contribute, over the period from the Effective Date to the date 10 years following the issuance of the Certificate of Occupancy for the Arena, up to \$75,000,000 to a fund or program, managed by a Community Development Financial Institution or a similar organization selected by Developer (a “**CDFI**”), to provide low-interest loans for the acquisition, preservation, and development of affordable and mixed-income housing in the City, and/or to acquire land for the future development of affordable and mixed-income housing. The term “affordable housing” shall mean housing deemed affordable to persons or families whose household incomes are either at or below the median household income for Los Angeles County. The CDFI shall establish guidelines for the administration of the fund or program, subject to the approval of the Developer. Developer's obligations with respect to this paragraph shall be satisfied by contributing each year amounts required for affordable housing projects meeting the guidelines and project criteria established for the program, up to a maximum of \$45,000,000 in any particular year and to a maximum of \$75,000,000 in total. Amounts received from loan repayments may, at the option of Developer, be reinvested in the program or returned to Developer.

10. **First-Time Homeowners Assistance.** Developer shall contribute a total of \$2,500,000, over a period of 5 years commencing one year prior to the estimated issuance of the Certificate of Occupancy for the Arena, towards one or more first-time homebuyer programs (which may include down-payment assistance, homebuyer education, and credit coaching) for Inglewood residents with household incomes at or below the median income for Los Angeles County. Down-payment assistance may be structured as a recoverable grant to be repaid and recycled when a property is resold. Funds shall be contributed to one or more CBOs, government agencies, or similar organizations, shall be restricted to the purposes set forth in this paragraph, and shall be subject to administrative and program guidelines approved by Developer.

11. **Emergency Support to Inglewood Renters and Anti-Eviction Services.** Developer shall contribute a total of \$3,000,000, over a period of 5 years commencing with the issuance of the Certificate of Occupancy for the Arena, for purposes of preventing homelessness and providing legal support for families facing evictions in Inglewood. Funds shall be contributed to one or more non-profits, government agencies, or similar organizations, shall be

restricted to the purposes set forth in this paragraph, and shall be subject to administrative and program guidelines approved by Developer.

12. **Capacity Building for Housing-Focused Non-Profits.** Developer shall contribute \$250,000 in grants to help local and regional community development corporations, community development financial institutions, land banks, and other non-profits focused on housing to expand their respective operations and services for development of affordable housing in the City (e.g. hire new staff, expand office space, etc.). Funds shall be contributed to one or more CBOs, shall be restricted to the purposes set forth in this paragraph, and shall be subject to administrative and program guidelines approved by Developer.

**Rehabilitation of Morningside Park Library &  
Creation of Community Center**

13. **Rehabilitation of Library and Creation of Community Center.** Developer shall contribute to the City a total of \$6,000,000 to rehabilitate the City's Public Library as a library and community center, where members of the community can gather for group activities, social support, public information, and other purposes. Such funds shall be contributed within 60 days following the later of (i) issuance of the Certificate of Occupancy for the Arena, (ii) City approval of a plan for such rehabilitation, or (iii) demonstration by the City, to the reasonable satisfaction of Developer, that other funds are available to complete the rehabilitation. If the foregoing conditions have not been met after 3 years following the issuance of the Certificate of Occupancy for the Arena, the City may propose an alternative project for receipt and expenditure of such funding, subject to Developer's reasonable approval, to further similar purposes.

**Support for Inglewood Youth and Education**

14. **After School Tutoring for Inglewood Students.** Developer shall contribute a total of \$4,000,000, over a period from the Effective Date to the date 5 years following the issuance of the Certificate of Occupancy for the Arena, for after school tutoring programs for Inglewood students. Funds shall be contributed to one or more CBOs, shall be restricted to the purposes set forth in this paragraph, and shall be subject to administrative and program guidelines approved by Developer.

15. **Youth Innovation and Design Camps.** Developer shall contribute a minimum of \$500,000, over the period from the Effective Date to the date 5 years following the issuance of the Certificate of Occupancy for the Arena, for purposes of developing and operating coding, science, technology, and engineering camps and programs for Inglewood students. Funds shall be contributed to one or more CBOs, shall be restricted to the purposes set forth in this paragraph, and shall be subject to administrative and program guidelines approved by Developer.

16. **Keeping Inglewood Students in School.** Developer shall contribute a minimum of \$2,750,000, over the period from the Effective Date to the date 5 years following the issuance of the Certificate of Occupancy for the Arena, for purposes of discouraging Inglewood high school students from dropping out of school. Funds shall be contributed to one or more CBOs, shall be restricted to the purposes set forth in this paragraph, and shall be subject to administrative and program guidelines approved by Developer.

17. **Opening Pathways to College for Inglewood Students.** Developer shall contribute up to \$1,000,000, over a period from the Effective Date to the date 5 years following the issuance of the Certificate of Occupancy for the Arena, for purposes of expanding counseling services and support for students seeking a post-secondary education. Funds shall be contributed to one or more CBOs shall be restricted to the purposes set forth in this paragraph, and shall be subject to administrative and program guidelines approved by Developer.

18. **College Scholarships for Inglewood Students.** Developer shall contribute a minimum of \$4,500,000, over the period from the Effective Date to the date 5 years following the issuance of the Certificate of Occupancy for the Arena, for purposes of providing scholarships to eligible low-income students in the Inglewood United School District that are accepted to either a 2-year or 4-year colleges. Funds shall be contributed to one or more CBOs or similar organizations, shall be restricted to the purposes set forth in this paragraph, and shall be subject to administrative and program guidelines approved by Developer.

#### **Support for Inglewood Seniors**

19. **Resources for Inglewood Seniors.** Developer shall contribute a total of at least \$500,000, over a period from the Effective Date to the date 5 years following the issuance of the Certificate of Occupancy for the Arena, to fund social and educational programs at the Inglewood Senior Center. Funds shall be contributed to one or more CBOs, shall be restricted to the purposes set forth in this paragraph, and shall be subject to administrative and program guidelines approved by Developer.

#### **Improving Inglewood Parks**

20. **Renovating Public Basketball Courts.** Developer shall contribute \$300,000, over a period from the Effective Date to the date 5 years following the issuance of the Certificate of Occupancy for the Arena, to renovate public basketball courts in Inglewood. Funds shall be contributed to one or more government agencies or CBOs, shall be restricted to the purposes set forth in this paragraph, and shall be subject to administrative and program guidelines approved by Developer.

#### **Community Engagement & Collaboration**

21. **Use of Arena for Charitable Causes.** Upon the City's issuance of the Certificate of Occupancy for the Arena, Developer shall provide City, local schools, youth athletic programs, or a local community-based charitable organization designated by the City (each a "**Community Group**") use of the Arena for up to 10 days per calendar year (each a "**Community Event**"), on days that the Arena or surrounding facilities are available. Any use of the Arena that is not a major sporting event typically held in an arena or stadium shall be subject Developer's approval. Community Events shall not exceed a one-day period unless otherwise approved in writing by Developer, which shall not be unreasonably withheld, conditioned, or delayed. Community Events shall not be designed to earn a profit or otherwise compete with the operations or booking opportunities of the Arena as determined by Developer in its sole discretion. There shall be no more than 2 Community Events in each calendar month. The purpose of this provision is to allow the community reasonable access to the Arena and

surrounding facilities. Developer shall provide such use of the Arena and surrounding facilities at no cost to the Community Group; *provided, however*, that each such Community Group shall procure event insurance, indemnify Developer for liability arising out of the Community Group's use of the Arena and bear the actual out-of-pocket expenses as reasonably required and incurred by Developer in connection with the usage of the Arena or surrounding facilities, including but not limited to security, food and beverage (if utilized), insurance, clean-up and trash removal, ushers, ticket-takers, and stagehands (the "**Event Expenses**"). The Community Group shall not charge an admittance fee or set ticket prices or secure sponsorship or grants in excess of the good faith estimated amounts necessary for the Community Group to recoup the Event Expenses; *provided, however*, that notwithstanding the foregoing, a Community Group will not be in violation of this section if actual ticket sales exceed the estimated amount of ticket sales. The Community Group and Developer shall enter into a rental agreement that shall govern the Community Event. Developer shall provide an estimate of the expected Event Expenses for the Community Group's review and approval prior to entering into any rental agreement. Developer shall also consult with the City regularly regarding any changes to such estimate. The rental agreement shall contain the Developer's then-current standard terms and conditions that the Arena requires of all users, including but not limited to the material terms that are listed on Exhibit C-1. The obligation of Developer under this paragraph shall not apply during any times a Permitted Delay is in effect, during any times that the Arena is closed for material renovations or repairs, or if, subject to the provisions of the Public Use Restriction, the Arena is no longer being operated as contemplated in this Agreement.

22. **Access to NBA Games for Community Groups.** Following the City's issuance of the Certificate of Occupancy for the Arena, Developer shall dedicate an average of 100 general admission tickets to every Los Angeles Clippers basketball home game at the Arena during the regular season for use by a Community Group at no charge.

EXHIBIT C-1

FORM OF COMMUNITY EVENT RENTAL AGREEMENT

**TICKETING:** Developer or Developer's ticketing agent will make all ticket sales for a Community Event, and such ticket sales will be subject to facility fee and convenience charges.

**RENT:** Developer will not charge Community Group any fee for the use of the Arena or surrounding facilities (collectively, the "Arena") for any Community Event.

**EXPENSES AND SETTLEMENT:**

- Developer and Community Group shall agree in advance and in writing as to the requirements and the budget for any Community Event (the "Budget"). Community Group will be responsible for reimbursing Developer for all expenses and costs incurred in connection with the Community Event for such personnel, services, equipment, and/or materials that Developer deems to be reasonably required based on the Community Event requirements described in the Budget (the "Community Event Expenses"). Community Event Expenses for labor will be subject to any applicable union minimum requirements and will include full reimbursement for Developer's wage, fringe benefit, payroll tax, and other labor-related expenses associated with the Community Event (and Community Event Expenses for goods or services rented or purchased from a third party will be at the actual costs incurred by Developer). Community Event Expenses will be paid by Community Group to Developer at the conclusion of each Community Event, unless Developer requests Community Group to pay reasonably estimated Community Event Expenses prior to the Community Event.
- During the end of any Community Event or at another mutually agreed time, the parties will conduct a financial accounting and settlement of the Community Event Expenses where the amounts owed to each party in respect of the Community Event will be reconciled and paid, if applicable.

**INDEMNITY:** The rental agreement will include indemnification provisions consistent with the following:

- Community Group will indemnify, defend, and hold harmless Developer, and their owners and partners and all of their respective parent and affiliated entities, whether direct or indirect, and all directors, officers, employees, agents, licensees, contractors, and successors and assigns of any of the foregoing (collectively, the "Affiliates"), as well as any parties appearing in the Community Event (collectively the "Indemnified Parties"), from and against any and all claims, liabilities, losses, damages, judgments, settlement expenses, costs and expenses whatsoever, including court costs, attorneys' fees and related disbursements, whether incurred by Developer in actions involving third parties or in actions against Community Group for claims (individually, a "Loss" and collectively, the "Losses") arising out of or in connection with: (i) the breach by Community Group of any of its agreements or covenants under the rental agreement; (ii) the truthfulness of its representations and warranties under the rental agreement; (iii) the conduct and

presentation of the Community Event; and (iv) the use of the Arena, or any part thereof, in connection with the conduct/presentation of the Community Event, or any preparation for or move-in or move-out of the Community Event, including areas utilized by guests attending the Community Event, escalators, elevators, stairs, seating areas, lavatories, restaurant and concession areas and all areas and facilities utilized for ingress and egress of guests. Without limiting the foregoing, Community Group will defend, indemnify, and hold harmless the Indemnified Parties for any damage to the Arena, whether caused by Community Event participants, production personnel, patrons or otherwise. All repairs to the damaged property of Developer will be made by firm(s) designated by Developer. The charges for such services will not exceed the charges generally prevailing for comparable services.

**INSURANCE:** Community Group will maintain at its expense insurance in connection with any Community Event acceptable to Developer (and consistent with Developer's requirements under its standard rental agreements for the Arena). As requested by Developer, Community Group will deliver to Developer certificates satisfactory to Developer evidencing such insurance and naming Developer and its Affiliates and such other parties reasonably requested by Developer as additional insureds.

**OTHER:** The parties will enter into a rental agreement for each Community Event consistent with these terms and conditions and including such other representations, warranties, covenants, terms and conditions contained in Developer's standard rental agreements for the Arena.

Moreover, the rental agreement shall contain Developer's then-current standard terms and conditions that the Arena offers to third party users; provided however, all such terms and conditions, including any indemnity or insurance obligations of the Community Group, shall be consistent with and subject to the principles of this Exhibit and California law.

**EXHIBIT D**

**Applicable Exactions**

1. Public Art For New Construction (Inglewood Municipal Code ("IMC") § 11-141
2. Parking Tax (IMC § 9-19), as set forth in Section 7.2.2 of this Agreement.
3. Admissions Tax (IMC § 9-6), as set forth in Section 7.2.1 of this Agreement.
4. Transient Occupancy Tax (IMC § 9-8), as set forth in Section 7.2.3 of this Agreement.
5. Gross Receipts Tax (IMC § 8-23)
6. Utility Users Tax (IMC § 9-69)
7. Nonresidential Construction Tax (IMC § 9-123)
8. Real Property Transfer Tax (IMC § 9-42), as set forth in Section 7.2.6 of this Agreement



**EXHIBIT E**

**Intentionally Omitted**

**EXHIBIT F**

**Conditions of Approval for Access and Maintenance of Plaza**

1. Commitments for Plazas. Developer shall record a covenant specifying the area of a publicly accessible plaza and that such area is for the use, enjoyment, and benefit of the public, which shall be operated in accordance with the conditions set forth herein for the life of the Arena. The building permit application for the Plaza shall show where the Plaza may be located. Subject to approval of a revised building permit application, the area and configuration of the Plaza may be modified from time to time consistent with the requirements of the SEC Design Guidelines. The Plaza shall include a variety of amenities which may include landscape, hardscape, benches and other seating areas, architectural and directional signage, passive recreation (e.g., water fountains, kiosks with items for sale, stages for entertainment, other seasonal entertainment, seating areas for restaurant dining and service of alcohol in specified areas), and a recreational basketball court. Designated portions of the Plaza may be used for outdoor restaurants or food and beverage areas in accordance with the Project Approvals.

2. Maintenance Standard. The Plaza shall be operated, managed, and maintained in a neat, clean, attractive and safe condition in accordance with the intended use thereof.

3. Hours of Operation. The Plaza shall be open and accessible to the public, at a minimum, between 9:00 a.m. and sunset, 7 days per week, except as provided herein or as approved in writing by the City. Developer, in its sole discretion, may close or restrict access to the Plaza as required to accommodate any Special Events (as defined below) or temporary closing in the event of an emergency or to undertake repairs or maintenance, as further described below. The Plaza may be open for employees, invitees, or guests at times when it is closed to the general public. No Person shall enter, remain, stay or loiter on the Plaza when it is closed to the public, except Persons authorized in conjunction with Special Events, or temporary closures as permitted or authorized service and maintenance personnel.

4. No Discrimination. Developer covenants that there shall be no discrimination against, or segregation of, any Person, or group of Persons, on account of race, color, religion, creed, national origin, gender, ancestry, sex, sexual orientation, age, disability, medical condition, marital status, acquired immune deficiency syndrome, acquired or perceived, in the use, occupancy, tenure, or enjoyment of the Plaza.

5. Temporary Closure and Special Events.

(a) Emergencies and Repairs: Developer shall have the right, without obtaining the consent of the City or any other Person, to temporarily close the Plaza, or to limit access to specifically authorized Persons, at any time and from time to time for any one or more of the following:

(i) In the event of an emergency, or danger to the public health or safety created from whatever cause (e.g., flood, storm, fire, earthquake, explosion, accident, criminal activity, riot, civil disturbances, civil unrest or unlawful assembly), Developer may temporarily close the Plaza (or affected portions thereof) for the duration thereof, in any manner

deemed necessary or desirable to promote public safety, security, and the protection of Persons and property.

(ii) Developer may temporarily close the Plaza (or applicable portion thereof) to repair or maintain the Plaza, as Developer may deem necessary or desirable, and during such times as may be necessary to perform such repairs or maintenance.

(b) **Special Events.** Developer shall have the right, without obtaining the consent of the City or any other Person, to temporarily close all or portions of the Plaza to the public for a period of up to 24 consecutive hours (or such longer period as may be required in order to comply with security standards and best practices, including without limitation those adopted by the NBA) in connection with ticketed events at the Arena or the use of the Plaza for private events, such as promotional events, private parties, weddings, celebrations, receptions, and assemblies (collectively, "Special Events"). The City acknowledges that before, during, and after Special Events, including all NBA games, access to the Plaza may be restricted to ticketed attendees of the event. Security screening for Special Events is planned to take place at the perimeter of the Plaza, or at other locations as Developer deems desirable, such that access to the Plaza may be limited to ticketed attendees of the event and personal property may be restricted in accordance with security standards and best practices, including without limitation those adopted by the NBA.

(c) **Public Events.** Developer may establish reasonable content-neutral rules and regulations for the use of the Plaza, including uses in connection with parades, gatherings, and assemblies that do not require the closure of the Plaza to the public (collectively, "Public Events").

6. **Arrest or Removal of Persons.** Developer shall have the right (but not the obligation) to use lawful means to effect the arrest or removal of any Person or Persons who create a public nuisance, who otherwise violate the applicable rules and regulations, or who commit any crime including, without limitation, infractions or misdemeanors in or around the Plaza.

7. **Removal of Obstructions.** Developer shall have the right to remove and dispose of, in any lawful manner it deems appropriate, any object or thing left or deposited on the Plaza deemed to be an obstruction, interference, or restriction of use of the Plaza for the purposes set forth in this Exhibit, including, but not limited to, personal belongings or equipment abandoned on the Plaza during hours when public access is not allowed consistent with this Exhibit.

8. **Project Security During Periods of Non-Access.** Developer shall have the right to block off the Plaza or any portion thereof, and to install and operate security devices and to maintain security personnel to prevent the entry of Persons or vehicles during the time periods when public access is not allowed consistent with this Exhibit.

9. **Temporary Structures.** No structure of a temporary character, trailer, tent, shack, barn, or other outbuilding shall be used on any portion of the Plaza at any time, either temporarily or permanently, unless such structure is approved by Developer, provided that

Developer may permit the use of temporary tents, booths, and the like in connection with Public Events or Special Events.

10. Signs. Developer shall post on-site Project signs at the major public entrances of the Plaza setting forth applicable regulations permitted by this Exhibit, hours of operation, and a telephone number to call regarding security, management, or other inquiries.

11. Limitation on Other Uses. The use of any portion of the Plaza by the public or any Person for any purpose or period of time shall not be construed, interpreted, or deemed to create any rights or interests to or in the Plaza. The ability of the public or any Person to use the Plaza or any portion thereof shall not be an implied dedication or create any third party rights or interests. The Developer expressly reserves the right to control the manner, extent and duration of any such use consistent with the terms hereof.

**EXHIBIT G**

**Form of Assignment and Assumption Agreement**

THIS DOCUMENT WAS PREPARED BY,  
AND AFTER RECORDING RETURN TO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Space Above for Recorder's Use)

**ASSIGNMENT AND ASSUMPTION OF  
DEVELOPMENT AGREEMENT**

THIS ASSIGNMENT AND ASSUMPTION OF DEVELOPMENT AGREEMENT ("**Assignment**") is made as of [\_\_\_\_\_] , by and between MURPHY'S BOWL LLC, a Delaware limited liability company ("**Assignor**"), and [\_\_\_\_\_] , a [\_\_\_\_\_] ("**Assignee**"), with reference to the following facts:

A. Assignor owns certain real property and certain improvements located thereon, known as [\_\_\_\_\_] , located at [\_\_\_\_\_] in the City of Inglewood, California (the "**Property**"), more particularly described in **Exhibit G-1** attached hereto and incorporated herein by this reference.

B. The City of Inglewood, a municipal corporation ("**City**"), and Assignor entered into that certain Development Agreement dated [\_\_\_\_\_] , (the "**DA**"), recorded on [\_\_\_\_\_] as Instrument No. [\_\_\_\_\_] in the Official Records of the Los Angeles County, California.

C. Assignor and Assignee have entered into that certain Purchase and Sale Agreement dated [\_\_\_\_\_] (the "**Purchase Agreement**") whereby a portion of the Property will be sold to Assignee (the "**Assigned Property**") as identified and described in **Exhibit G-2** attached hereto and incorporated herein by this reference.

D. Assignor desires to assign and transfer to Assignee, and Assignee desires to assume, all of Assignor's right, title, and interest as the Developer under the DA with respect to the Assigned Property subject to the terms and conditions of this Assignment.

NOW THEREFORE, in consideration of the foregoing facts and the mutual covenants and conditions below, it is agreed:

1. Assignor assigns and transfers to Assignee, all of Assignor's right, title and interest accruing to the Developer under the DA as to the Assigned Property, subject to the terms, covenants and restrictions set forth in the DA.

**MB Draft 5/22/20 KBB 6/6/2020 Comments  
Proposed Final – For Negotiation Purposes**

2. Assignee shall assume all of the obligations under the DA as to the Assigned Property and observe and fully perform all of the duties and obligations of Assignor under the DA as to the Assigned Property, and to be subject to the terms and conditions thereof, it being the express intention of both Assignor and Assignee that, upon execution of this Assignment and conveyance of the Property to the Assignee, Assignee shall become substituted for Assignor as "Developer" and "Party" under the DA as to the Assigned Property and the Assignor shall be unconditionally and irrevocably released therefrom as to the Assigned Property from and after the date hereof consistent with the terms and conditions of this Assignment.

3. Assignor warrants and represents to Assignee that Assignor has full right and authority to make this Assignment and vest in Assignee the rights, interests, powers, and benefits hereby assigned.

4. Assignee warrants and represents to Assignor that Assignee has full right and authority to execute this Assignment.

5. This Assignment is expressly conditioned upon the closing of the transaction contemplated in the Purchase Agreement.

6. This Assignment is not intended as a mortgage or security device of any kind.

7. Notwithstanding anything to the contrary contained herein, the assumption by Assignee of any obligations pursuant to this Assignment is not, and shall not be construed to be, for the benefit of Assignor, and under no circumstances shall Assignor or any affiliate of Assignor have any liability to Assignee with respect to such assumed obligations or otherwise.

8. This Assignment may be executed in counterparts which taken together shall constitute one and the same instrument.

9. The provisions of this instrument shall be binding upon and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

10. Assignor and Assignee covenants that it will, at any time and from time to time, execute any documents and take such additional actions as the other, or its respective successors or assigns, shall reasonably require in order to more completely or perfectly carry out the transfers intended to be accomplished by this Assignment.

11. This Assignment shall be construed and interpreted in accordance with the laws of the State of California.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment as of the date first set forth above.

**"ASSIGNOR"**

**MURPHY'S BOWL LLC,**  
a Delaware Limited liability company

\_\_\_\_\_  
Name:  
Title:

**"ASSIGNEE"**

[ \_\_\_\_\_ ]

\_\_\_\_\_  
Name:  
Title:

ACKNOWLEDGED AND AGREED:  
"CITY" [IF REQUIRED]

**CITY OF INGLEWOOD,**  
a municipal corporation

By: \_\_\_\_\_  
\_\_\_\_\_, Mayor

**ATTEST:**

By: \_\_\_\_\_  
City Clerk

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
City Attorney

**APPROVED:**

By: \_\_\_\_\_  
City Special Counsel

EXHIBIT G-1  
TO  
ASSIGNMENT AND ASSUMPTION OF  
DEVELOPMENT AGREEMENT  
LEGAL DESCRIPTION OF THE PROPERTY

Real property in the County of Los Angeles, State of California, described as follows:



EXHIBIT G-2  
TO  
ASSIGNMENT AND ASSUMPTION OF  
DEVELOPMENT AGREEMENT

LEGAL DESCRIPTION OF THE ASSIGNED PROPERTY

Real property in the County of Los Angeles, State of California, described as follows:

**EXHIBIT H-1**

**Greenhouse Gas Emissions Condition of Approval**

In accordance with California Public Resources Code Section 21168.6.8(j), Mitigation Measures 3.7-1(a) and 3.7-1(b) as set forth in the MMRP, and in addition to otherwise being provided for in the Agreement, the Project shall comply with the following condition of approval:

Developer shall comply with Mitigation Measure 3.7-1(a), as set forth in the MMRP, including the preparation of a GHG Reduction Plan. The GHG Reduction Plan shall include implementation of all measures set forth under Section 2.A of Mitigation Measure 3.7-1(a), Project Design Features 3.2-1 and 3.2-2 as identified in the FEIR, and Mitigation Measures 3.2-2(b) and 3.14-2(b) as set forth in the MMRP.

The GHG Reduction Plan shall also include implementation, by the end of the first NBA regular season or June of the first NBA regular season, whichever is later, during which an NBA team has played at the Arena, of all Mitigation Measures set forth in the MMRP that are specific to the operation of the Arena, and of the following on-site measures:

- *Solar Photovoltaic System.* Installation of a 700-kilowatt (kW) solar photovoltaic system, generating approximately 1,085,000 kW-hours of energy annually.
- *IBEC Smart Parking System.* Installation of systems in the on-site parking structures serving the Project to reduce vehicle circulation and idle time within the structures by more efficiently directing vehicles to available parking spaces.
- *IBEC On-Site Electric Vehicle Charging Stations.* Installation of a minimum of 330 electric vehicle charging stations (EVCS) within the 3 on-site parking structures serving the Project for use by employees, visitors, event attendees, and the public.
- *IBEC Zero Waste Program.* Implementation of a waste and diversion program for operations of the Project, with the exception of the hotel, with a goal of reducing landfill waste to zero. Effectiveness of the program shall be monitored annually through the U.S. Environmental Protection Agency's WasteWise program or a similar reporting system.
- *Renewable Energy.* Reduction of GHG emissions associated with energy demand of the Project Arena that exceeds on-site energy generation capacity by using renewable energy consisting of purchase of electricity for onsite consumption through the Southern California Edison (SCE) Green Rate, SCE's Community Renewables Program, similar opportunities for renewable electricity that could emerge in the future and/or, if available after approval by applicable regulatory agencies, on-site use of renewable natural gas. Such renewable energy shall be used during Project operations for a period sufficient to achieve no less than 7,617 MT CO<sub>2</sub>e.

The GHG Reduction Plan shall also include implementation, prior to issuance of grading permits, of the following off-site measures:

- *City Municipal Fleet Vehicles ZEV Replacement.* Entry into an agreement with the City to cover 100% of the cost of replacement of 10 municipal fleet vehicles that produced

GHG emissions with Zero-Emissions Vehicles (ZEVs) and related infrastructure (e.g., EVCS) for those vehicles.

- *ZEV Replacement of Transit Vehicles Operation Within the City.* Entry into an agreement with the City to cover 100% of the cost of replacement of 2 transit vehicles that operate within the City that produce GHG emissions with ZEVs and related infrastructure (e.g., EVCS) for those vehicles.
- *Local Electric Vehicle Charging Stations in the City.* Entry into agreements to install 20 EVCS at locations in the City available for public use for charging electric vehicles.
- *City Tree Planting Program.* Develop or enter into partnerships with existing organizations to develop a program to plant 1,000 trees within the City.
- *Local Residential EV Charging Units.* Implement a program to cover 100% of the cost of purchasing and installing 1,000 electric vehicle charging units for residential use in local communities near the Project site. Residents in the City and surrounding communities who purchase a new or used battery electric vehicle shall be eligible to participate in the program. City residents shall be given priority for participation in the program. Eligibility requirements and administration of the program shall ensure that only households that do not already own an electric vehicle participate in the program.

Developer shall submit documentation that the on- and off-site measures identified above have been implemented to the City, with copies provided to the California Air Resources Board.

Developer shall achieve any remaining GHG emissions reductions necessary, as estimated in the GHG Reduction Plan, through GHG reduction co-benefits of NO<sub>x</sub> and PM<sub>2.5</sub> emissions reductions measures required by Condition of Approval H-2, co-benefits of Project Design Features 3.2-1 and 3.2-2 and Mitigation Measures 3.2-2(b) and 3.14-2(b), and the purchase of carbon offset credits issued by an accredited carbon registry, such as the American Carbon Registry, Climate Action Reserve, or Verra. All carbon offset credits shall be permanent, additional, quantifiable, and enforceable. Contracts to purchase carbon offset credits for construction emissions shall be entered into prior to the issuance of grading permits, and contracts to purchase carbon offset credits for operational emissions shall be entered into prior to the issuance of the final certificate of occupancy for the Project. Copies of the contracts will promptly be provided to the California Air Resources Board, the Governor's Office, and the City.

Developer shall comply with Mitigation Measure 3.7-1(b), as set forth in the MMRP, including the preparation of an Annual GHG Verification Report, which may be submitted to the City concurrently with the annual review of compliance with the Development Agreement and/or with the submittal of the annual Transportation Demand Management Program monitoring report to the City Traffic Engineer. The annual Development Agreement review shall include a review of compliance with Public Resources Code Section 21168.6.8(a)(3)(B).

**EXHIBIT H-2**

**Air Pollutant Emissions Reduction Condition of Approval**

The Project shall comply with the following condition of approval, with respect to which City staff have consulted with the South Coast Air Quality Management District ("SCAQMD"):

Developer shall implement measures that will achieve criteria pollutant and toxic air contaminant reductions over and above any emission reductions required by other laws or regulations in communities surrounding the Project consistent with emission reduction measures that may be identified for those communities pursuant to Section 44391.2 of the Health and Safety Code.

These measures shall achieve reductions of a minimum of 400 tons of oxides of nitrogen ("NOx") and 10 tons of PM2.5, as defined in Section 39047.2 of the Health and Safety Code, over 10 years following the commencement of construction of the Project. Of these amounts, reductions of a minimum of 130 tons of NOx and 3 tons of PM2.5 shall be achieved within the first year following commencement of construction of the Project. The reductions required pursuant to this paragraph are in addition to any other requirements imposed by other laws.

If Developer can demonstrate and verify to SCAQMD that it has invested at least \$30,000,000 to achieve the requirements of this condition of approval, the requirements of this condition shall be deemed met, so long as one-half of the reductions set forth above (i.e., reductions of 200 tons of NOx and 5 tons of PM2.5 over ten years following the commencement of Project construction, of which reductions a minimum of 65 tons of NOx and 1.5 tons of PM2.5 shall be achieved within the first year following commencement of Project construction) are met.

Greenhouse gas emissions reductions achieved under this condition of approval shall count toward Developer's obligations set forth under Exhibit H-1, Greenhouse Gas Emissions Condition of Approval.

**EXHIBIT H-3**

**TDM Program Conditions of Approval**

Developer shall comply with Mitigation Measures 3.7.1(a) and 3.14-2(b), as set forth in the MMRP, providing for the preparation and implementation of a Transportation Demand Management Program (TDM Program) that would include strategies, incentives, and tools to provide opportunities for non-event employees and patrons as well as event attendees and employees to reduce single-occupancy vehicle trips and to use other modes of transportation besides automobile to travel to basketball games and other events hosted at the Project.

Mitigation Measures 3.7.1(a) and 3.14-2(b) require that the TDM Program include certain requirements identified in the Measures as TDM 1 through TDM 9 (the "TDM Program Elements"). For example, TDM 2 requires that the TDM Program provide for connectivity to the existing and future Metro Rail Stations and take advantage of the transportation resources in the area. Initially, this is contemplated to be achieved by implementation of a dedicated shuttle service the "IBEC Shuttle Service"), using an estimated 27 shuttles with a capacity of 45 persons per shuttle, from the Green Line at Hawthorne Station, Crenshaw/LAX Line at AMC/96th Station, and Crenshaw/ LAX Line at Downtown Inglewood station.

The Mitigation Measures also require the TDM Program to include an ongoing program to monitor each of the TDM Program Elements. The monitoring program shall collect data on the implementation of each specific TDM strategy, and shall assess the extent to which the TDM Program is meeting demand for alternative forms of transportation, and reducing vehicle trips and reliance on private automobiles. A monitoring report shall be prepared not less than once each year. The report shall evaluate the extent to which the TDM Program encourages employees to reduce single occupancy vehicle trips and to use other modes of transportation besides automobile to travel to basketball games and other events hosted at the Project. The monitoring report may be submitted to the City Traffic Engineer concurrently with the annual review of compliance with the Development Agreement and shall also be provided to the State of California Office of Planning and Research (through 2030).

In addition, in accordance with California Public Resources Code Section 21168.6.8(k), the TDM Program will meet certain minimum requirements (the "AB987 TDM Requirements"), generally described as follows:

- (i) upon full implementation, the TDM Program will achieve and maintain a 15% reduction in the number of vehicle trips, collectively, by attendees, employees, visitors, and customers as compared to operations absent the TDM Program;
- (ii) to accelerate and maximize vehicle trip reduction, each measure in the TDM Program shall be implemented as soon as feasible, so that no less than a 7.5% reduction in vehicle trips is achieved and maintained by the end of the first NBA season during which an NBA team has played at the Arena;

(iii) a 15% reduction in vehicle trips shall be achieved and maintained as soon as possible, but not later than January 1, 2030. The applicant shall verify achievement to the lead agency and the Office of Planning and Research; and

(iv) if the applicant fails to verify achievement of the reduction require by clause (iii), the TDM Program shall be revised to include additional feasible measures to reduce vehicle trips by 17%, or, if there is a rail transit line with a stop within 0.25 miles of the arena, 20%, by January 1, 2035.

The TDM Program is expected to be revised and refined as monitoring is performed, experience is gained, additional information is obtained regarding the Project transportation characteristics, and advances in technology or infrastructure become available. Changes to the TDM Program are subject to review and approval by the City Traffic Engineer to ensure that the TDM Program, as revised, is equally or more effective in addressing the TDM Program Elements.

With the annual monitoring report, or within 60 days following the submission of the monitoring report, either the Developer or the City Traffic Engineer may also, in consultation with the other, propose revisions or refinements to the TDM Program. Any such revisions or refinements to the TDM Program shall (i) take into account the monitoring results as well as advances in technology or infrastructure, including any expanded public transit capacity, that may become available, (ii) be equally or more effective in addressing the TDM Program Elements and the AB 987 TDM Requirements in a cost efficient manner. Revisions and refinements of the TDM Program proposed by the Developer shall be subject to the approval of the City Traffic Engineer consistent with the foregoing standards. Revisions and refinements of the TDM Program proposed by the City Traffic Engineer shall be subject to the approval of the Developer consistent with the same standards. Developer and City specifically acknowledge that in the future there may be an effort to expand public transit in the vicinity of the Project site, including increased connectivity between the Project and Metro Stations. Should that occur, the City and Developer specifically acknowledge that it may be appropriate, to the extent consistent with the standards for revision and refinement of the TDM Program set forth above, to shift TDM resources, such as resources that would otherwise be devoted to operation of the IBEC Shuttle Service, estimated in the amount of \$1.5 to \$2.5 million annually, to support operation of expanded public transit providing equally, or more effective connectivity between the Project and Metro Stations. At the request of the City, Developer agrees to negotiate in good faith with respect to the terms of a separate agreement that would shift TDM resources, to the extent consistent with the standards set forth above for revisions and refinements of the TDP Program, so as to provide a reliable source of funding for the operation of such expanded public transit capacity.

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