



May 14, 2019

Mr. Chris Holmquist Project
Manager
Wilson Meany
6701 Center Drive, Suite
950 Los Angeles, CA 90045

SUBJECT: STAPLES CENTER VACATED EVENT DAYS ANALYSIS

Dear Mr. Holmquist:

Conventions, Sports & Leisure International ("CSL") has prepared an analysis related to the potential vacated event days at Staples Center due to the development of a new arena in Inglewood (the Inglewood Basketball and Entertainment Center or "IBEC") for the LA Clippers ("Clippers"). Specifically, Wilson Meany has asked CSL to quantify the number of third-party events that could occupy the available dates at Staples Center vacated by the Clippers.

CSL reviewed the Clippers home game schedule, along with those of the Los Angeles Lakers ("Lakers"), Los Angeles Kings ("Kings"), and Los Angeles Sparks ("Sparks") to understand the mix of tenant and non-tenant event activity each calendar year. Based on an analysis of event data from the 2016 to 2018 calendar years, CSL identified three key types of dates with distinct booking tendencies, including "double-booked" event days during which two tenants played on the same day, Monday-Thursday dates available for third-party events, and Friday-Sunday dates available for third-party events.

CSL has prepared an analysis that provides an overview of existing event activity at Staples Center, a summary of the number of dates that could be vacated by the Clippers, and historical third-party booking rates of available dates at Staples Center.

The analysis presented in this letter supports the following conclusions regarding available dates at Staples Center vacated by the Clippers:

- Staples Center hosts a robust level of event activity and would seek to occupy available dates vacated by the Clippers with various third-party events such as concerts, family shows, or other sporting or entertainment events.
- It is reasonable to assume that double-booked event days during which the Clippers played on the same day as another tenant would not be occupied by any other use, as only another professional sports team could accommodate a double-booked event day. Additionally, it is

reasonable to assume that the Kings or Lakers would not increase their double-booked days, as the earlier 12:30 PM start time on double-booked event days is not desirable. Further, the Lakers or Kings could seek to reduce any double-booked home game event days by occupying vacated Clippers dates.

- It is reasonable to assume that some of the Clippers-only days would be occupied by third-party events at Staples Center. Based on an analysis of historical third-party booking rates, Friday, Saturday, and Sunday dates are more desirable for major event activity and are booked at a greater rate than Monday-Thursday dates. It is reasonable to assume that Staples Center would achieve similar booking rates for any dates that become available as the Clippers relocate to IBEC.

This letter outlines the key finding related to an analysis of potential event activity and vacated event days at Staples Center. It should be read in its entirety to obtain the background, methods, and assumptions underlying the findings.

OVERVIEW OF CLIPPERS HOME GAMES AT STAPLES CENTER

The table below presents a summary of Clippers home games played at Staples Center during the 2016 to 2018 calendar years, including the number of games played on the same day as the Lakers or the Kings, Clippers-only event days that occurred Monday-Thursday, and Clippers-only event days that took place Friday, Saturday, or Sunday.

Clippers Home Games – 2016, 2017, and 2018 Calendar Years (Preseason, Regular Season, and Postseason Games)				
	Clippers Double-Booked with NBA or NHL	Clippers-Only Monday- Thursday	Clippers-Only Friday, Saturday, Sunday	Total Clippers Home Games
2016	12	29	7	48
2017	11	27	9	47
2018	12	26	7	45
Three-Year Average	12	27	8	47

As shown, the Clippers played an average of 47 home games during the 2016 to 2018 calendar years. On average, 12 of those home game event days were double-booked event days during which the Clippers played on the same day as the Lakers or the Kings. Over the same three-year period, there were an average of two double-booked event days during which the Lakers and Kings played on the same day at Staples Center.

It is reasonable to assume that those double-booked event days would not be occupied by any other use, as only another professional sports team could accommodate a double-booked event day. Additionally, it is reasonable to assume that the Kings or Lakers would not increase their double-booked days, as the earlier 12:30 PM start time on double-booked event days is not desirable and could negatively impact attendance. In fact, the Lakers or Kings may seek to eliminate any double-booked home game event days by occupying vacated Clippers dates.

However, it is reasonable to assume that Staples Center would seek to occupy the Clippers-only days with third-party event activity. In order to estimate the number of third-party events that will occupy the vacated dates, it is important to analyze historical third-party booking rates of currently available dates at the Staples Center.

OVERVIEW OF THIRD-PARTY EVENT ACTIVITY AT STAPLES CENTER

The table on the following page summarizes third-party event activity that occurred during the NBA season months of January to April and October to December throughout the 2016 to 2018 calendar years, including the number of events that took place Monday-Thursday and Friday, Saturday, or Sunday compared to the total available dates.

Third-Party Event Activity – 2016, 2017, and 2018 NBA Seasons (January-April and October-December)						
	Monday-Thursday			Friday, Saturday, Sunday		
	Third-Party Events	Total Available Dates	Third-Party Booking Rate	Third-Party Events	Total Available Dates	Third-Party Booking Rate
2016	7	46	15.2%	15	39	38.5%
2017	6	45	13.3%	12	41	29.3%
2018	10	50	20.0%	22	44	50.0%
Three-Year Average	8	47	16.3%	16	41	39.5%

As shown, from 2016 to 2018, Staples Center hosted a third-party event on an average of eight days of the total 47 available Monday-Thursday dates. For that three-year period, the average attendance at third-party events hosted at Staples Center was approximately 10,440 attendees per event, as reported to the trade publication Pollstar. The rate at which Staples Center hosts third-party events on available event days that occur on Monday-Thursday averaged 16.3 percent over the last three years, ranging from a low of 13.3 percent to a high of 20.0 percent. Over the same time period, Staples Center hosted a third-party event on an average of 16 days of the total 41 available Friday, Saturday, and Sunday dates. On average, Staples Center booked 39.5 percent of available Friday, Saturday, and Sunday event days with third-party event activity, ranging from a low of 29.3 percent to a high of 50.0 percent.

An evaluation of historical booking rates at Staples Center provides a baseline to estimate the number of third-party events that could reasonably occupy the available dates at Staples Center vacated by the Clippers.

STAPLES CENTER EVENT ANALYSIS

The following table shows the rate at which Staples Center could expect to newly occupy available event days after the Clippers relocate to IBEC that occur on Monday-Thursday and on Friday, Saturday, and Sunday based on past trends.

Staples Center Third-Party Event Analysis			
	Clippers Double-Booked with NBA or NHL	Clippers-Only Monday-Thursday	Clippers-Only Friday, Saturday, Sunday
Estimated Booking Rate	0.0%	16.3%	39.5%
Average Number of Occurrences*	12	27	8
Occupied Event Assumption	0	4	3

* Available event days after Clippers relocation.

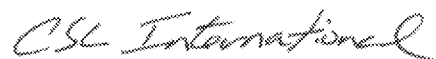
As shown, it is assumed that the 12 double-booked event days during which the Clippers played on the same day as another tenant would not be occupied by any other use. Of the approximately 27 Monday-Thursday events days that would become available at Staples Center, approximately 16.3 percent, or four, could be reasonably anticipated to be replaced with a third-party event hosted at Staples Center. Of the approximately eight Friday, Saturday, and Sunday events days that would be vacated by the Clippers, approximately 39.5 percent, or three, could be occupied with a third-party event hosted at Staples Center. Based on the information and analyses above, it is reasonably estimated that the maximum potential use of vacated Clippers event days at Staples Center could total seven event days.

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The information contained in this report is based on estimates, assumptions and other information developed from secondary market research, knowledge of the sports and entertainment industry, and other factors, including certain information provided by Wilson Meany and others. All information provided to us was not audited or verified and was assumed to be correct. Because procedures were limited, we express no opinion or assurances of any kind on the achievability of any projected information contained herein and this report should not be relied upon for that purpose. Furthermore, there will be differences between projected and actual results. This is because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

We sincerely appreciate the opportunity to assist you with this project and would be pleased to be of further assistance in the interpretation and application of the study's findings.

Very truly yours,



CSL International