

DISPOSITION AND DEVELOPMENT AGREEMENT

by and between

THE CITY OF INGLEWOOD,

City,

and

MURPHY'S BOWL LLC,

Developer.

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DISPOSITION AND DEVELOPMENT AGREEMENT

THIS DISPOSITION AND DEVELOPMENT AGREEMENT (the "**Agreement**") is entered into by and between the CITY OF INGLEWOOD, a municipal corporation (the "**City**") and MURPHY'S BOWL LLC, a Delaware limited liability company (the "**Developer**"). This Agreement is dated as of the date the City executes this Agreement (the "**Effective Date**"). The City and Developer agree as follows:

RECITALS

[NOTE: ALL RECITALS UNDER REVISION]

[LISTNUM OutlineDefault\ 2] The City, the City of Inglewood as Successor Agency to the Inglewood Redevelopment Agency, a public body, corporate and politic (the "**Successor Agency**"), and the Inglewood Parking Authority, a public body, corporate and politic (the "**Authority**") are parties to that certain Amended and Restated Exclusive Negotiation Agreement dated as of August 15, 2017 (the "**ENA**") with respect to the proposed disposition and development of certain real property described in the ENA.

[LISTNUM OutlineDefault\ 2] The subject matter of this Agreement are those certain real properties referred to in this Agreement collectively as the "**Project Site**" and generally depicted on the "**Depiction of the Project Site**" attached hereto as **Attachment No. 1**. The "**Project Site**" is comprised of the "**Arena Site**", the "**West Parking Garage Site**", the "**East Transportation Site**" and the "**Hotel Site**", each of which are generally depicted on **Attachment No. 1**.

[LISTNUM OutlineDefault\ 2] The City owns certain real properties within the Project Site which are referred to collectively as the "**City Parcels**" and more particularly identified and legally described in the "**City Parcels Legal Description**" attached hereto as **Attachment No. 2-A**. Certain right-of-way areas within the Project Site are also owned by the City and various private property owners (the "**Private Owners**") which are referred to collectively as the "**Right-Of-Way Areas**" and more particularly identified and legally described in the "**Right-Of-Way Areas Legal Description**" attached hereto as **Attachment No. 2-B**. Certain airspace parcels within the Project Site are owned by the City and Private Owners which are referred to collectively as the "**Pedestrian Bridge Airspace**" and more particularly identified and legally described in the "**Pedestrian Bridge Airspace Legal Description**" attached hereto as **Attachment No. 2-C**. For the purposes of this Agreement, the City Parcels shall include all of the City's right, title and interest in the Right-of-Way Areas and the Pedestrian Bridge Airspace.

[LISTNUM OutlineDefault\ 2] Private Owners own certain real properties within the Arena Site which are referred to collectively as the "**Private Parcels**" and more particularly

identified and legally described in the "**Private Parcels Legal Description**" attached hereto as **Attachment No. 2-D**. None of the Private Parcels contain churches or occupied residences.

[LISTNUM OutlineDefault\l 2] The City has long pursued a sustained and comprehensive plan of economic redevelopment of the City Parcels. Despite such effort, the City Parcels have remained undeveloped. Proximity to nearby airports, especially Los Angeles International Airport, has played a substantial role regarding the lack of development on the Project Site. For nearly four decades, the City has undertaken efforts to eliminate uses of land within the Project Site that are incompatible with aircraft noise, and to convert those uses to economically viable and noise-compatible uses that would yield benefits to the City and its residents. The City has continuously invested in the beautification of and redevelopment along Century Boulevard and desires to continue those efforts by providing access to recreation to its residents in the form of spectator sports, specifically basketball. The Arena Site is intended to promote the recreation and enjoyment of the public.

[LISTNUM OutlineDefault\l 2] The Arena Site, the West Parking Garage Site, the East Transportation Site and the Hotel Site are each proposed to be conveyed to Developer. However, it is anticipated that the Hotel Site will be developed by a third party, and the Arena Site, the West Parking Garage Site, and the East Transportation Site will be developed by Developer, subject to and in accordance with the terms and conditions of this Agreement (such development is collectively referred to as the "**Project**"), including as described in the Scope of Development and the Basic Site Plan Drawings.

[LISTNUM OutlineDefault\l 2] The Arena Site is proposed to be used for an 18,000-fixed-seat arena 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 which is expected to include: (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 with parking spaces for vehicles and bicycles; (7) one or two pedestrian bridges across adjacent rights-of-way; (8) various on-site signage, broadcast, filming, recording, transmission, production, and communications facilities and equipment; and (9) other associated public improvements.

[LISTNUM OutlineDefault\l 2] The West Parking Garage Site is proposed to be used for a six-story, 3,110-space parking garage with entrances and exits on West Century Boulevard and South Prairie Avenue, including a new publicly accessible access road that would connect West 101st Street and West Century Boulevard on the western property boundary of the West Parking Garage Site.

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[LISTNUM OutlineDefault\ 2] The East Transportation Site is proposed to be used for a three-story structure on the south side of West Century Boulevard, east of the Arena Site. The first level of this structure would serve as a transportation hub, with bus staging for coach/buses, mini buses, and car spaces for Transportation Network Company (TNC) drop-off/pick-up and queuing. The second and third levels of the structure would provide 365 parking spaces for arena and retail visitors and employees.

[LISTNUM OutlineDefault\ 2] The Hotel Site is proposed to be used for an up to 150-room limited service hotel and associated parking.

[LISTNUM OutlineDefault\ 2] The Project seeks no public funding, with Developer incurring all costs of site assembly, development and construction. The Project promotes the City's image and identity as an independent community within the Los Angeles metropolitan area by facilitating the return of an NBA franchise to the City, known as the "City of Champions." The Project promotes the City's image and identity as a premier regional sports and entertainment center at the regional, national, and international level and complements the adjacent new development at Hollywood Park, including its National Football League stadium, creating a world-class sports and entertainment district for the recreational enjoyment of the public. In addition to the significant public benefits included in the Development Agreement (as described below), the Project will materially increase property tax, ticket tax and sales tax revenues to the City, as well as create highly skilled jobs that pay prevailing wages and living wages and will employ a skilled and trained workforce. Therefore, by accomplishing all of these actions, the Project is intended to promote recreation and enjoyment for the public in the form of spectator sports, specifically basketball.

[LISTNUM OutlineDefault\ 2] The Project will be designed and constructed to meet the US Green Building Council's Leadership in Energy and Environmental Design (LEED®) Gold Certification requirements. The Project will also implement a wide range of mitigation measures intended to reduce or eliminate environmental impacts associated with Project construction and operation, including commitments to a comprehensive Transportation Demand Management program and meeting a net-zero greenhouse gas standard, as reflected in the MMRP.

[LISTNUM OutlineDefault\ 2] On _____, _____, at a duly noticed public hearing, the City Council of the City of Inglewood, as the lead agency for purposes of the California Environmental Quality Act of 1970, as amended from time to time (California Public Resources Code, Section 2100 *et seq.*, hereinafter referred to as "**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. _____. The FEIR required mitigation measures as part of a mitigation monitoring and reporting plan (the "**MMRP**"), which was adopted by the City Council under Resolution No. _____. The FEIR has served as the environmental documentation for the City's consideration and approval of this Agreement and the transactions contemplated by this Agreement.

[LISTNUM OutlineDefault\l 2] The City and Developer desire to enter into a certain development agreement relating to the Project Site (the "**Development Agreement**") which establishes certain development rights in the Site for the benefit of Developer and provides for certain vested rights. The Development Agreement also provides for substantial public benefits to the City beyond those it could expect from the Project in the absence of the Development Agreement. Such public benefits can be found and are more specifically described in Exhibit C to the Development Agreement.

[LISTNUM OutlineDefault\l 2] The City has adopted certain conforming General Plan and Specific Plan amendments, the Overlay District, and the SEC Development Guidelines, and other documents to implement the Project which, together with approval of other on-site improvements contemplated thereby, and more particularly defined in the Development Agreement ("**Project Approvals**").

[LISTNUM OutlineDefault\l 2] The City and Developer now wish to enter into this Agreement for the disposition and development of the Project Site, subject to and in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and promises contained herein, the City and Developer agree as follows:

I. [§ 100] SUBJECT OF AGREEMENT

A. [§ 101] Purpose of this Agreement

The purpose of this Agreement is to provide for the proposed development of an arena on the Arena Site for the use, recreation, and enjoyment of the public, as well as certain ancillary uses on the Project Site (the "**Improvements**"). The development proposal consists of the sale of the City Parcels to Developer, along with the potential acquisition and sale of the Private Parcels within the Arena Site (subject to and in accordance with the provisions of Section 202, *et seq.*) to Developer. Developer proposes to construct the Improvements, as well as certain on-site and off-site public improvements (the "**Public Infrastructure**"). The sale and development of the Project Site pursuant to this Agreement, and the fulfillment generally of this Agreement promotes the use, recreation, and enjoyment of the Project Site by the public, are in the vital and best interest of the City and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable Federal, State, and local laws and requirements.

B. [§ 102] Project Site

As described in Recital B above, the Project Site is comprised of the Arena Site (which includes the Private Parcels), the West Parking Garage Site, the East Transportation Site and the Hotel Site. The entire Project Site is located within the City of Inglewood. It is expressly understood and agreed by the parties hereto that as of the Effective Date, the City does not hold legal or equitable title to the Private Parcels described on **Attachment No. 2-D**, which are a portion of the Arena Site. Subject to the provisions of Section 202, *et seq.*, the City shall attempt

to acquire fee simple absolute title to and all possessory rights, including but not limited to any leasehold or possessory interest or right of acquisition (purchase option), in the Private Parcels by negotiated purchase, or in its sole and absolute discretion, elect to acquire such parcels by exercise of its power of eminent domain, recognizing that all of the Private Parcels are within the Arena Site and none of the Private Parcels contain churches or occupied residences. However, notwithstanding any provision contained in this Agreement to the contrary, the City shall not have any obligation to acquire any Private Parcels.

C. [§ 103] Parties to this Agreement

1. [§ 104] City

The City is a charter city and municipal corporation, organized and existing pursuant to the Constitution and laws of the State of California.

2. [§ 105] Developer

Developer is MURPHY'S BOWL LLC, a Delaware limited liability company. Wherever the term "Developer" is used herein, such term shall include any permitted nominee, assignee or successor in interest as herein provided.

D. [§ 106] Prohibition Against Transfer and Change in Control of Developer

Developer represents and agrees that its acquisition of the Project Site and its other undertakings pursuant to this Agreement are for the purpose of development of the Project Site and not for speculation in land holding.

The qualifications and identities of Developer and its owners are of particular concern to the City. It is because of those unique qualifications and identities that the City will enter into this Agreement with Developer and impose certain restrictions on any Transfer or Change of Control of Developer until the City issues a Release of Construction Covenants as to each of the Arena Site, the West Parking Garage Site, the East Transportation Site and the Hotel Site, respectively. Accordingly, no voluntary or involuntary successor in interest to Developer shall acquire any rights or powers in the Project Site or under this Agreement except as expressly set forth herein.

Prior to the issuance of a Release of Construction Covenants, Developer shall not Transfer the Arena Site, the West Parking Garage Site, the East Transportation Site, the Hotel Site (subject to the provisions of Section 322), or any portion thereof, or any interest therein, or assign all or any part of this Agreement, to a third party (a "**Transferee**") without the prior written approval of the City, which such approval shall be given within fifteen (15) City-business days if, in the reasonable determination of the City, the proposed Transferee has the qualifications of a developer (including experience, character and financial capability) necessary to develop that portion of the Project Site which is proposed to be Transferred. However, notwithstanding the foregoing, the City's consent shall not be required for any assignment of this

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Agreement (a) where Developer, or an Affiliate of Developer, is the controlling shareholder, general partner or managing member owning at least a fifty-one percent (51%) share or interest in the proposed Transferee or (b) to any Person who is a successor to LA Clippers LLC, a Delaware limited liability company ("**LA Clippers LLC**") by merger, consolidation or the purchase of all or substantially all of LA Clippers LLC's assets or equity interests. Notwithstanding anything to the contrary in this Agreement, in the event of the death or incapacity of any individual who directly or indirectly controls Developer prior to the recordation of the last Release of Construction Covenants pertaining to the Project Site, all times for performance by Developer hereunder, including the times for Developer's performance set forth in the Schedule of Performance, may be extended at the sole discretion of Developer upon written notice to the City for a period of up to two (2) years.

For purposes of this Agreement, (i) "**Transfer**" shall mean any sale, transfer, assignment, conveyance, gift, hypothecation, or the like of the Project Site or Developer or any portion thereof or any interest therein or of this Agreement; notwithstanding the foregoing, from and after the conveyance of the Project Site to Developer, "**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 Project Site; (c) the placement of mortgages or deeds of trust on the Project Site except as specifically and otherwise required by this Agreement; (d) the exercise of any remedies of any lender holding a mortgage or deed of trust on the Project Site; or (e) the removal of a general partner or managing member by the exercise of remedies under any form of operating or partnership agreement, (ii) "**Affiliate**" shall mean, as to any 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, (iii) "**control**" shall mean, directly or indirectly, and either individually or in concert with any Immediate Family Members, (a) the ownership of more than fifty percent (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 (iv) "**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).

If, in violation of this Agreement, Developer (i) Transfers this Agreement or any of the rights herein or (ii) Transfers the Arena Site, the West Parking Garage Site, the East Transportation Site, the Hotel Site, any portion thereof or any interest therein, prior to the issuance of the Release of Construction Covenants for such Transferred portion of the Project Site, the City shall be entitled to the Excess Purchase Price resulting from such Transfer. The

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"**Excess Purchase Price**" shall be the amount that the consideration paid to Developer for such property transferred exceeds (a) the amount of the Purchase Price and/or Acquisition Costs paid by Developer for such property transferred and (b) the cost of the Improvements developed thereon (and any related Public Infrastructure), including applicable carrying charges and all costs related thereto. If Developer is required to pay an Excess Purchase Price to the City and such Excess Purchase Price has not been paid to the City within ten (10) business days following such transfer, the City shall have a lien on the Project Site for the entire amount of the Excess Purchase Price. Any such lien shall be subordinate and subject to mortgages, deeds of trust or other security instruments executed for the sole purpose of obtaining funds to acquire the Site and/or construct the Improvements and Public Infrastructure as authorized herein.

Except for Transfers duly executed and deemed approved by the City as provided above, Developer covenants and agrees that prior to issuance by the City of the last Release of Construction Covenants pertaining to the Project Site there shall be no Change in Control of Developer by any method or means (except as the result of death or incapacity), without the prior written approval of the City, provided, however, such approval shall be given within five (5) business days if, in the reasonable determination of the City, Developer after the Change in Control will have the qualifications of a developer (including experience, character and financial capability) necessary to develop the Arena Site, the West Parking Garage Site, the East Transportation Site, or the Hotel Site, as applicable.

Developer shall promptly notify the City of any proposed Change in Control. This Agreement may be terminated by the City as to the affected portion of the Project Site if there is any Change in Control (voluntary or involuntary, except as the result of death or incapacity) of Developer in violation of this Agreement prior to the issuance of the applicable Release of Construction Covenants.

For purposes of this Agreement, "**Change in Control**" shall mean the issuance or Transfer of ownership interests in Developer, when, as a result of such issuance or Transfer, either (i) one or more Persons other than Steven A. Ballmer, Connie E. Ballmer, any of their children, grandchildren or other lineal descendants, or any Affiliates of any of the foregoing individuals becomes the direct or indirect owner of more than a controlling ownership interest in Developer, or (ii) Steven A. Ballmer, Connie E. Ballmer, any of their children, grandchildren or other lineal descendants, or any Affiliates of any of the foregoing individuals no longer holds a controlling ownership interest in Developer.

Any permitted or approved Transfer shall relieve Developer from any obligations under this Agreement arising from and after such Transfer, and City shall acknowledge in writing the foregoing release.

Consistent with the provisions of Section 320, the restrictions of this Section 106 shall terminate upon issuance by the City of a Release of Construction Covenants as to the Arena Site, the West Parking Garage Site, the East Transportation Site or the Hotel Site, as applicable.

This Agreement shall not be assigned by the City without the prior written consent of Developer. The City shall not voluntarily transfer, lease, license and/or encumber any portion of the Project Site during the term of this Agreement to any Person.

E. [§ 107] City Representations

The City represents, warrants and covenants to Developer as follows:

(i) The City is a municipal corporation operating in accordance with the laws of the State of California and is authorized and qualified to own the City Parcels. Further, the City (x) has complete and full authority to execute this Agreement and agrees to use good faith efforts to convey to Developer good and marketable fee simple title to the City Parcels as and when required under the terms and conditions of this Agreement, (y) will execute and deliver such other documents, instruments, agreements, including (but not limited to) affidavits and certificates, as are necessary to effectuate the transaction contemplated by this Agreement, and (z) will take all such additional action reasonably necessary or appropriate to effect and facilitate the transaction contemplated by this Agreement. The City further represents and warrants that the persons signing this Agreement on behalf of the City are duly qualified and appointed representatives of the City and have all requisite power and authority on behalf of the City to cause the City to enter into this Agreement as a valid, binding and enforceable obligation of the City.

(ii) The City has not received any notice of, and has no knowledge of, any pending or threatened taking or condemnation of the City Parcels or any portion thereof.

(iii) Upon the date scheduled for conveyance to Developer in the Schedule of Performance, the City Parcels and any Private Parcels acquired in fee by the City will be free of any leasehold interest, right of possession or right of acquisition or claim of right of possession or right of acquisition of any party other than the City, and all mortgages, encumbrances, liens (whether statutory or otherwise), security interests or other security devices or arrangements of any kind or nature whatsoever. The City will not sell, encumber, convey, assign, pledge, lease or contract to sell, convey, assign, pledge, encumber or lease all or any part of the City Parcels (or the Private Parcels, if and when possession is obtained or acquired in fee by the City, as applicable) after the Effective Date and prior to the date of conveyance to Developer.

(iv) Neither the entry into this Agreement nor consummation of the transactions contemplated hereby will constitute or result in a violation or breach by the City of any judgment, order, writ, injunction or decree issued against or imposed upon it, or any agreement or other instrument to which the City is a party or by which the City or any of its respective properties are bound, or will result in a violation of any applicable law, order, rule or regulation of any governmental authority.

F. [§ 108] Developer Representations

Developer represents, warrants and covenants to the City as follows:

(i) Developer is a limited liability company, duly organized and in existence in accordance with the laws of the State of Delaware, and is in good standing under the laws of the State of California, and is authorized and qualified to own and develop the Project Site in accordance with this Agreement. Further, Developer (x) has complete and full authority to execute this Agreement and to accept conveyance from the City and develop the Project Site in accordance with the terms and conditions of this Agreement, (y) will execute and deliver such other documents, instruments, agreements, including (but not limited to) affidavits and certificates, as are necessary to effectuate the transaction contemplated by this Agreement, and (z) will take all such additional action reasonably necessary or appropriate to effect and facilitate the transaction contemplated by this Agreement. Developer further represents and warrants that the person signing this Agreement on behalf of Developer is a duly qualified and appointed representative of Developer and has all requisite power and authority on behalf of Developer to cause Developer to enter into this Agreement as a valid, binding and enforceable obligation of Developer. Subject to City's obligation to cause the removal of any encumbrances which are not permitted encumbrances as set forth in **Attachment No. 9** which have been mutually agreed upon by the parties, Developer shall be responsible for performing its own due diligence with respect to the condition of title to the City Parcels.

(ii) Neither the entry into this Agreement nor consummation of the transactions contemplated hereby will constitute or result in a violation or breach by Developer of any judgment, order, writ, injunction or decree issued against or imposed upon it, or any agreement or other instrument to which Developer is a party or by which Developer or any of its respective properties are bound.

(iii) Developer does not have any contingent obligations or any contractual agreements which could materially adversely affect the ability of Developer to carry out its obligations hereunder.

(iv) To the best of Developer's knowledge, no attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization, receivership or other similar proceedings are pending or threatened against Developer, nor are any of such proceedings contemplated by Developer.

G. [§ 109] Special Limited Obligations

Any obligation of the City hereunder shall be a special limited obligation, which is not and shall not be a pledge of or an obligation payable through the City's general fund, and any recovery against the City in connection with this Agreement or the transactions contemplated by this Agreement shall be limited to the City's interest in the City Parcels and the proceeds therefrom. Accordingly, nothing in this Agreement shall require or be deemed to require the

City to expend or commit to expend monies from its general fund to satisfy any of the obligations set forth in this Agreement, subject to the City's obligation to expend monies provided by Developer for the specific purposes hereunder and under such other agreements with the City (e.g., the Acquisition Deposit).

H. [§ 110] Attachments Incorporated

All attachments to this Agreement, or agreements entered into by the City and Developer substantially in the form of such attachments, as now existing and as the same may from time-to-time be modified by agreement of the City and Developer, are incorporated herein by this reference.

II. [§ 200] DISPOSITION OF THE PROJECT SITE

A. [§ 201] Sale and Purchase of City Parcels

In accordance with and subject to all the terms, covenants, and conditions of this Agreement, the City agrees to sell to Developer and Developer agrees to purchase the City Parcels. Developer shall pay to the City as the purchase price for the City Parcels of [\$_____ Dollars (\$_____)], subject to adjustment as set forth below in this Section 201 (the "**Basic Purchase Price**"). The sale of the City Parcels shall be subject to satisfaction of all conditions precedent as set forth in this Agreement and shall take place within the applicable time frame set forth in the "**Schedule of Performance**", attached hereto as **Attachment No. 4**. The City has obtained an independent third party appraisal and peer review assessment of the Basic Purchase Price of the City Parcels that represents the fair market value of the City Parcels, without taking into account the cost of any remediation of Hazardous Materials. The parties acknowledge and agree that the Basic Purchase Price and the Adjusted Purchase Price and, if applicable, the Revised Purchase Price, are subject to the rights and requirements of the FAA and LAWA as set forth in the Grant Agreements, as defined below, and the disposition requirements for the former Successor Agency properties as provided for in the California Health and Safety Code Sections 34170 *et seq.* (the "**Redevelopment Dissolution Law**") (the "**Agency Review Process**").

The City has determined that the Basic Purchase Price represents the appraised fair market value of the City Parcels, without taking into account the cost of any remediation of Hazardous Materials. If the Closing Date occurs after August 31, 2021 and on or before August 31, 2022, then the Basic Purchase Price shall be increased to [_____ (\$____,000)] [**103% of existing Basic Purchase Price**] (the "**Adjusted Purchase Price**"). If the Closing Date occurs after August 31, 2022, the City and Developer shall agree upon the appraisal instructions for an updated appraisal, each shall select a suitably qualified independent appraiser, such two appraisers shall select a third suitably qualified independent appraiser, and the Purchase Price shall be the average of the three appraisals submitted by such appraisers (the "**Revised Purchase Price**"), which determination shall be made not less than sixty (60) days prior to the Closing Date. The Revised Purchase Price shall also be subject to the Agency Review Process.

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Promptly following the Effective Date, in furtherance of the Agency Review Process, City and Developer shall jointly seek FAA and LAWA approval of the Basic Purchase Price and the Adjusted Purchase Price, as and to the extent such approval is required under any Grant Agreement. If City reasonably determines that FAA or LAWA there is a reasonable likelihood that either agency will not approve the Basic Purchase Price or the Adjusted Purchase Price within the time period set forth in Section 510, City shall promptly give notice thereof to Developer and Developer shall have the right to terminate this Agreement pursuant to Section 510.

In addition, promptly following the Effective Date in furtherance of the Agency Review Process, the City shall commence discussions with the taxing entities with respect to the City Parcels transferred to the City from the Successor Agency pursuant to Redevelopment Dissolution Law and the City of Inglewood Long Range Property Management Plan (September 16, 2015). The Agency Review Process shall also include, relating to such City Parcels, entry by each applicable taxing entity into a compensation agreement pursuant to California Health and Safety Code Section 34180(f), if required, or a written approval of the Basic Purchase Price and Adjusted Purchase Price of such City Parcels including a waiver of the requirement of a compensation agreement (a "**Taxing Entity Acceptance**"). If any taxing entity has not provided its Taxing Entity Acceptance within a reasonable time following the Effective Date, the City shall seek to have the fair market value determined as of the 2011 property tax lien date as determined by an independent appraiser pursuant to California Health and Safety Code Section 34180(f)(2) for the purposes of establishing the payment amounts due to such taxing entity.

The Purchase Price shall be subject to reduction to the extent of any reasonable costs associated with any remediation of Hazardous Materials required for the City Parcels actually paid by Developer, in accordance with the terms and conditions of this Agreement and in compliance with applicable laws, statutes, rules and regulations and such reasonable procedures established by the City (the "**Remediation Cost Adjustment**"). In order to implement the provisions of this paragraph, and without limiting the duties of Developer with respect to Hazardous Materials pursuant to this Agreement, Developer shall promptly following the Effective Date, perform such environmental site assessments to determine whether any remediation of Hazardous Materials required for the City Parcels, as well an assessment of the cleanup methods, costs and logistics of such remediation (the "**Remediation Plan**"). The Remediation Plan shall be subject to the review and approval of the City Manager. The City and Developer shall include in the escrow instructions provisions for the holdback from the Purchase Price of the estimated Remediation Cost Adjustment (plus a ten percent (10%) contingency), as set forth in the Remediation Plan. Such escrow instructions shall further require that any balance of the holdback amount remaining after completion by Developer of any required Hazardous Materials remediation required by this Agreement for the City Parcels be paid to the City; with Developer being solely responsible for all costs of any remediation of Hazardous Materials for the City Parcels in excess of the Remediation Cost Adjustment and ten percent (10%) contingency.

B. [§ 202] Acquisition of Private Parcels

Prior to the Effective Date, Developer utilized reasonable good faith efforts to acquire the Private Parcels. Despite such efforts, Developer has been unable to acquire all Private Parcels. The City may in its sole and absolute discretion attempt to acquire the remaining Private Parcels and shall comply with all statutory and legal requirements applicable to the City's proposed acquisition of the remaining Private Parcels.

Upon the City's voluntary acquisition of any of the Private Parcels, the City shall promptly close escrow on the applicable Private Parcel(s) and record its title in the property records of the Los Angeles County Recorder's Office and, contingent upon Developer's satisfaction of the conditions precedent contained herein, the applicable Private Parcel(s) shall be conveyed by the City to Developer by Grant Deed, in the form attached to this Agreement as **Attachment No. 7-B**, which form includes certain provisions required by California Code of Civil Procedure Section 1245.245. The conveyance of the applicable Private Parcel(s) shall take place at the same time and in the same manner as the City Parcels as set forth in this Agreement.

1. [§ 203] Election to Acquire by Eminent Domain

If the City's good faith negotiations are unsuccessful as to any of the Private Parcels, the City may in its sole and absolute discretion, schedule, notice and hold a public hearing at which the City may consider the adoption of one or more resolutions of necessity (a "**Resolution of Necessity**") authorizing the acquisition by eminent domain of any of the Private Parcels not voluntarily acquired (the "**Nonvoluntary Parcels**"). Following such public hearing, the City will determine in its sole and absolute discretion whether or not to adopt Resolutions of Necessity and to proceed with eminent domain to acquire the Nonvoluntary Parcels. Developer expressly acknowledges, understands and agrees that the City undertakes no obligation to adopt any Resolution of Necessity, and the City makes no commitment to Developer regarding any findings and determinations the City may need to make in connection therewith. If the City does not acquire all of the remaining Private Parcels by negotiated purchase and does not adopt, in its sole and absolute discretion, Resolutions of Necessity for all of the remaining Private Parcels within four (4) months following the Effective Date, neither the City nor Developer shall be in default under this Agreement, but Developer shall have the right to terminate this Agreement pursuant to Section 510.

2. [§ 204] Acquisition by Eminent Domain

If the City approves one or more Resolutions of Necessity and elects to exercise its power of eminent domain to acquire any Private Parcels, any such eminent domain proceedings shall be promptly filed following the approval of a Resolution of Necessity, and the City shall diligently exercise reasonable efforts to prosecute any such eminent domain proceedings(s) to completion and obtain fee simple absolute title to the subject Private Parcels.

If the City exercises its power of eminent domain it shall: (i) exercise reasonable efforts to apply for and obtain, at the earliest practicable time, a judicial order or orders authorizing the

City to take prejudgment possession of the Private Parcels (the "**Order(s) of Prejudgment Possession**") prior to entry of Final Judgments in Condemnation (the "**Final Judgment(s)**") and Final Order(s) of Condemnation (the "**Final Order(s)**"); and (ii) comply with all applicable provisions of the California Relocation Assistance Law (California Government Code Section 7260 et seq.), all State and local regulations implementing such law, and all other applicable relocation laws and regulations (collectively "**Relocation Laws**"). Any and all eligible expenses incurred in accordance with California Government Code Section 7262, relating to the displacement and/or relocation of any "displaced persons" (as defined in California Government Code Section 7260(c)(1)) from the Private Parcels, and any reasonable costs incurred by the City in retaining a relocation consultant, shall be paid by Developer.

Upon obtaining any Orders of Prejudgment Possession, the City shall, upon the written request of Developer, process and sign any required final parcel and subdivision maps, lot line adjustments, and/or mergers, in its capacity as deemed record title owner of the Private Parcel pursuant to California Government Code Section 66465.

If the City obtains possession of a Private Parcel pursuant to an Order for Prejudgment Possession, the City, subject to all conditions of closing, agrees to grant to Developer, and Developer shall accept, possession of such Private Parcel under the Orders of Prejudgment Possession ("**Prejudgment Possession**") on the Closing Date pursuant to a Grant Deed substantially in the form attached hereto as **Attachment No. 7-B**, as may be reasonably modified to reflect the conveyance of Prejudgment Possession, which form shall nonetheless include certain provisions required by California Code of Civil Procedure Section 1245.245. The City shall also diligently proceed with such eminent domain proceedings to obtain the applicable Final Judgment(s) and Final Order(s). Upon obtaining and recording the Final Order(s), the City shall transfer to Developer, and Developer shall accept, fee simple absolute title to the subject Private Parcel(s) pursuant to a Grant Deed substantially in the form attached hereto as **Attachment No. 7-B**. The City and Developer acknowledge and agree that such Grant Deed for the Private Parcel(s) shall include provisions restricting the applicable Private Parcel to the public use specified in the Resolution of Necessity and as required pursuant to California Code of Civil Procedure Section 1245.245. If the City, despite such diligent efforts, is unable to obtain a Final Order for any of the Private Parcels for which an Order of Prejudgment Possession has been issued, Developer shall nonetheless be responsible for the Acquisition Costs related to such Private Parcel(s) and Developer shall waive any claims against the City arising from the City's inability to obtain a Final Order for such Private Parcel(s).

3. [§ 205] Payment of Acquisition Costs

Developer shall pay to the City all reasonable direct and indirect costs and expenses incurred by the City in connection with the potential acquisition of the Private Parcels, conveyance to Developer, and any and all relocation costs attributable to such acquisitions (collectively, the "**Acquisition Costs**"). The Acquisition Costs shall include, without limitation:

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(a) appraisal fees, litigation guarantees, right-of-way and consultant fees, title reports and any costs related to any environmental assessment activity including any reports and property access costs;

(b) preparation of documents for public hearing on Resolutions of Necessity, including without limitation, attorneys' fees and cost of publishing notice;

(c) the deposit of probable compensation to the extent necessary;

(d) the total amount paid to owners and occupants of the Private Parcels, including the price paid to acquire any and all interests in the Private Parcels including without limitation amounts paid, if any, for the fee interest in the land and improvements, leaseholds, tenant improvements, furnishings, fixtures and equipment, leasehold bonus value, precondemnation damages, and loss of business goodwill;

(d) relocation assistance and benefits to any displaced person as required by Relocation Laws, and the City's payments to its relocation consultant;

(e) court costs and fees required to prosecute eminent domain proceedings, if any, including any cross-complaints or separate actions filed in response to the eminent domain proceedings, and any monies paid in settlement thereof or pursuant to a judgment in such proceedings;

(f) costs of litigation and trial incurred in prosecuting such eminent domain proceedings, including without limitation, preparation of pleadings, administrative record and any other required documentation, appraisers' fees, expert witness fees, court costs and attorneys' fees; and

(g) escrow fees, recording fees, title insurance fees, and all other costs incurred in connection with the acquisition of the Private Parcels by the City and conveyance to Developer.

4. [§ 206] Acquisition Deposit and Payments

Within ten (10) days after the Effective Date, Developer shall deposit with the City the sum of [\$_____] ("**Acquisition Deposit**") which the City shall be authorized to draw upon to pay Acquisition Costs. If at any time the Acquisition Deposit is insufficient to cover reasonably anticipated future expenses, the City shall notify Developer in writing, and Developer shall deposit the necessary additional funds within ten (10) business days.

The City shall hold the Acquisition Deposit in a separate interest-bearing account. Any unused portion of the Acquisition Deposit shall be promptly refunded to Developer following conveyance of fee title of the Private Parcels to Developer. The City shall prepare and maintain an accounting of the Acquisition Costs incurred and anticipated in connection with acquisition of the Private Parcels and shall provide such information to Developer no less frequently than

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quarterly, and such accounting and estimate shall be provided together with each request the City makes for additional funds; provided however, such City request for funding shall not be made more frequently than monthly. Developer and/or Developer's consultants (identified in writing) shall be entitled to audit the City's books and records relating to the Acquisition Costs during normal business hours and following at least five (5) business days' prior written notice. The City shall reasonably cooperate with Developer to the extent required in connection with such audit, including, without limitation, providing copies of all invoices and other back-up information within its possession.

The City expressly reserves the right to suspend or abandon any condemnation proceeding if Developer fails to timely make a required deposit of funds in accordance with this Agreement within ten (10) business days after receipt of a notice from the City of such failure. In such event, Developer shall pay any and all damages, claims or sanctions resulting from the City's suspension of such proceedings, including without limitation attorneys' fees, litigation expenses and damages which may be awarded in favor of a condemnee or payable to a condemnee pursuant to a court-approved settlement.

5. [§ 207] Consultation

The City shall keep Developer apprised of all negotiations with Private Owners and occupants of the Private Parcels. The City shall promptly provide Developer with any proposed settlement offers. The City agrees to consult with Developer with respect to fee budgets or any other commitment for costs for which Developer will be responsible as Acquisition Costs.

6. [§ 208] Termination of the Proceeding

Once an eminent domain proceeding is filed, the City shall not formally abandon the proceeding without Developer's consent. At any time, Developer may request in writing that the City formally abandon any filed eminent domain proceeding. If Developer makes such a written request, Developer shall remain responsible for all Acquisition Costs arising from such request up to the date of City's receipt of such written request and the formal filing and service of a notice of abandonment on the applicable party(ies) by the City, including, without limitation, any award of the condemnee's litigation expenses (the "**Termination Costs**"). Upon receipt of Developer's request to abandon, the City shall promptly file with the court and serve on the applicable parties the requisite notice of abandonment and any remaining amount of the Acquisition Deposit after the City has paid all such Termination Costs will be promptly refunded to Developer. In the City's sole discretion, the City may continue to prosecute the proceeding after receipt of Developer's request to abandon. If the City provides written notice of its election to continue prosecution of any eminent domain proceeding for which the City has received a written request to abandon from Developer, Developer shall not be responsible for any Acquisition Costs incurred after the City's receipt of Developer request to abandon.

7. [§ 209] Contact with Private Owners

Developer agrees that after the Effective Date, Developer shall not directly or indirectly contact any Private Owner of a Private Parcel, with the exception of any Private Parcel owner that the Developer has informed the City that it has entered into a written agreement to acquire a Private Parcel prior to the Effective Date. If any Private Owner of a Private Parcel contacts Developer, Developer shall promptly direct such Private Owner(s) to contact the City.

8. [§ 210] Escrow

The City and Developer agree to open an escrow account with Fidelity National Title Company (the "**Escrow Agent**") within the times provided in the Schedule of Performance. This Agreement shall constitute the joint escrow instructions of the City and Developer, and a duplicate original of this Agreement shall be delivered to the Escrow Agent upon the opening of the escrow account for the conveyance. The City and Developer shall provide such additional escrow instructions consistent with this Agreement as shall be necessary for such conveyance. The Escrow Agent hereby is empowered to act under such instructions, and upon indicating its acceptance thereof in writing delivered to the City and to Developer within five (5) days after opening of such escrow account, the Escrow Agent shall carry out its duties as Escrow Agent hereunder for such conveyance.

Upon delivery of the Grant Deeds for the Arena Site, and the Grant Deeds for each of the West Parking Garage Site, the East Transportation Site and the Hotel Site (collectively, the "**Ancillary Development Sites**") to the Escrow Agent by the City pursuant to Section 217 of this Agreement, the Escrow Agent shall record each Grant Deed in accordance with these escrow instructions for each such conveyance, provided that title to the entire Project Site (other than those Private Parcels for which only possession has been conveyed pursuant to an order for Prejudgment Possession) can be vested in Developer in accordance with the terms and provisions of this Agreement. The Escrow Agent shall also disclose and provide Developer with all pertinent documentary transfer tax information and costs prior to the close of escrow for each such conveyance. Any insurance policies governing the Project Site are not to be transferred.

Developer shall deposit into the escrow with the Escrow Agent before the Closing Date all fees, charges and costs necessary for the acquisition and conveyance of the Arena Site and the Ancillary Development Sites to Developer that are chargeable to Developer hereunder, promptly after the Escrow Agent has notified Developer of the amount of such fees, charges and costs for the escrow account. Such fees, charges and costs shall include, without limitation:

- (1) One half of the escrow fee;
- (2) All premiums for title insurance required by Developer in excess of a California Land Title Association ("**CLTA**") title insurance policy; and
- (3) All notary fees required of Developer.

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Developer shall also deposit the Purchase Price and any portion of the Acquisition Costs not previously paid with the Escrow Agent at the same time in accordance with the provisions of Section 218 of this Agreement.

With the exception of payment by the City of (i) one half of the escrow fee, (ii) the costs attributed to the CLTA title insurance policy for the conveyance, (iii) notary fees required of the City, and (iv) any State, County or City documentary or transfer tax, unless otherwise set forth herein, the City shall not be required to pay any costs, fees or charges in connection with the conveyance of the Arena Site and the Ancillary Development Sites and in no event shall the City's costs exceed the net amount of the Purchase Price actually received by the City after repayment of all applicable obligations to the FAA and LAWA, and any applicable taxing entities with regard to those City Parcels formerly owned by the Successor Agency. Unless otherwise specified in this Agreement, each party shall be responsible for the payment of its own legal fees.

The City shall timely and properly execute, acknowledge and deliver the Grant Deeds conveying to Developer title and/or possession (as applicable) to each of the parcels comprising the Arena Site and title and possession to the Ancillary Development Sites in accordance with the requirements of Section 213, as well as title to the Right-Of-Way Areas and easements for the Pedestrian Bridge Airspace, together with an estoppel certificate with regard to Developer and the obligations under this Agreement certifying: (i) that this Agreement is in full force and effect, (ii) that this Agreement has not been amended or modified, or if this Agreement has been amended or modified, identifying the amendments or modifications and stating their date and providing a copy or referring to the recording information, (iii) that the City is not aware of any default by Developer hereunder, or the occurrence of an event that with notice or the passage of time or both would be default by Developer hereunder if not cured (or if there is a default, a description of the nature of such default), and (iv) such other reasonable matters as may be requested. In addition, the City agrees to, from time to time, execute and deliver to any lender or prospective lender of Developer, or other applicable third-party, within ten (10) business days after a written request is made, such an estoppel certificate.

Upon the closing of escrow, the Escrow Agent is authorized to:

- (1) Pay, and charge Developer for any fees, charges and costs payable under this Section 210. Before such payments are made, the Escrow Agent shall notify the City and Developer of the fees, charges and costs necessary to clear title ensure any applicable possessory interests acquired pursuant to an order for Prejudgment Possession and close escrow.
- (2) Disburse funds and deliver each Grant Deed and other documents to the parties entitled thereto when the conditions of the escrow have been fulfilled by the City and Developer. The Purchase Price shall not be disbursed by the Escrow Agent unless and until it has recorded a Grant Deed for each of the Arena Site and the Ancillary Development Parcels and has delivered to Developer a title insurance

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policy insuring title and/or possession (as applicable) conforming to the requirements of Section 219 of this Agreement.

- (3) Record any instruments delivered through this escrow if necessary or proper to vest title and/or possession (as applicable) in Developer in accordance with the terms and provisions of this Agreement and the FAA Restrictions.

All funds received in escrow shall be deposited by the Escrow Agent in a separate interest-earning escrow account with any state or national bank doing business in the State of California and reasonably approved by Developer and the City. Any interest earned on the funds shall be payable or credited to Developer with all interest adjustments made on the basis of a thirty (30) day month. Any payment of interest to Developer shall be made by check by the Escrow Agent. Developer shall also be fully responsible for any and all costs required to establish and/or maintain the separate interest-earning account.

If escrow is not in a position to close on or before the Closing Date, any party who then shall have fully performed the acts required to be performed before the conveyance of title and/or possession (as applicable) to the Project Site to Developer may, in writing, demand the return of its money, papers, or documents from the Escrow Agent. No demand for return shall be recognized until five (5) days after the Escrow Agent (or the party making such demand) shall have mailed copies of such demand to the other party or parties at the address of its principal place of business. Objections, if any, shall be raised by written notice to the Escrow Agent and to the other party within such five (5) day period, in which event the Escrow Agent is authorized to hold all money, papers, and documents with respect to the Project Site until instructed by mutual agreement of the parties or, upon failure thereof, by a court of competent jurisdiction. If no such demands are made, the escrow shall be closed as soon as possible.

If objections are raised as above provided for, the Escrow Agent shall not be obligated to return any such money, papers, or documents except upon the written instructions of the City and Developer, or until the party entitled thereto has been determined by a final decision of a court of competent jurisdiction. If no such objections are made within such five (5) day period the Escrow Agent shall immediately return the demanded money, papers, or documents.

Any amendment to the escrow instructions shall be in writing and signed by the City and Developer. At the time of any amendment the Escrow Agent shall agree to carry out its duties as Escrow Agent under such amendment.

All communications from the Escrow Agent to the City or Developer shall be directed to the addresses and in the manner established in Section 601 of this Agreement for notices, demands, and communications between the City and Developer.

C. [§ 211] Conveyance of Title and Delivery of Possession

Conveyance to Developer of title to the Arena Site and the Ancillary Development Sites in accordance with the provisions of this Agreement shall be completed on or prior to the outside

date specified in the Schedule of Performance or such later date mutually agreed to in writing by the City and Developer and communicated in writing to the Escrow Agent (the "**Closing Date**").

Except as otherwise provided herein, title and/or possession (as applicable) of the Arena Site and title to the Ancillary Development Sites shall be delivered to Developer by the City concurrently with each such conveyance. Developer shall accept title and/or possession (as applicable) to the Arena Site, and title and possession to the Ancillary Development Sites on the Closing Date, subject to satisfaction of the conditions of closing set forth in this Agreement.

D. [§ 212] Forms of Deed

The City shall convey to Developer title and/or possession (as applicable) to the Project Site in the condition required in this Agreement by those certain "**Grant Deeds**" substantially in the form attached hereto as **Attachment No. 7-A** as to the City Parcels within the Arena Site, and substantially in the form attached hereto as **Attachment No. 7-B** as to the Private Parcels within the Arena Site (modified to reflect the conveyance of Prejudgment Possession, if applicable), and substantially in the form attached hereto as **Attachment No. 7-C** as to each of the other Ancillary Development Sites. Within the time frame set forth in the Schedule of Performance, Developer shall submit to the City for review and approval-consideration an application for a Lot Line Adjustment and Lot Merger to create the Hotel Site, as legally described in **Attachment No. 2-E**, as a separate legal parcel. As a condition to closing, the City shall have processed the application and returned it to Developer for recordation, which shall, upon recordation, establish the Hotel Site as a separate legal parcel.

E. [§ 213] Condition of Title for Project Site

The City shall convey to Developer fee simple title and/or exclusive possession (as applicable) to the Arena Site, and fee title and exclusive possession to the Ancillary Development Sites free and clear of all rights of possession (including billboard leases or agreements), liens, bonds, encumbrances, assessments, easements, leases and taxes, and any rights of acquisition by any party; provided, however, such conveyance shall be subject to the covenants included in each Grant Deed, the FAA Restrictions (as applicable), and those permitted encumbrances set forth in **Attachment No. 9**. However, no such covenants, conditions, restrictions or equitable servitudes shall prohibit or limit the development of the Project Site as permitted by the Scope of Development and this Agreement.

F. [§ 214] Acquisition Funding of City Parcels and Related Restrictions

Certain City Parcels were acquired by the City, Successor Agency or the former Inglewood Redevelopment Agency (the "**Agency**") partially with grant funds from the U.S. Federal Aviation Administration ("**FAA**"), Los Angeles World Airports ("**LAWA**") and certain tax increment funding from the Agency. The City shall be solely responsible for compliance with and satisfaction of the terms and conditions of any grant and/or funding agreements with FAA and LAWA (collectively, the "**Grant Agreements**"), including, without limitation, repayment to FAA and LAWA as may be required under the Grant Agreements and confirming the

termination of all ongoing obligations under the Grant Agreements. The City and Developer shall, promptly following the Effective Date, draft, negotiate and finalize the form of the restrictive covenants related to compatible uses required under such grant agreements with FAA and LAWA (the "**FAA Restrictions**") within the time frame set forth in the Schedule of Performance. The FAA Restrictions shall be recorded against, and encumber, the applicable City Parcels at closing.

The City shall be solely responsible for compliance with and satisfaction of the terms and conditions applicable to the disposition of the City Parcels previously owned by the Successor Agency and/or Agency. Such responsibility shall include, without limitation, any payment obligation to the applicable taxing entities pursuant to the Redevelopment Dissolution Law.

G. [§ 215] Street and Pedestrian Bridge Vacation

In order to accommodate the development of the Arena Site and the West Parking Garage Site, the City will determine in its sole and absolute discretion whether or not to vacate and abandon the Right-Of-Way Areas more particularly identified and legally described in **Attachment 2-B** and the Prairie Avenue Pedestrian Bridge Airspace as more particularly identified and legally described in **Attachment 2-C**. If the City does not adopt, in its sole discretion, resolutions of vacation to vacate and abandon such areas within six (6) months following the Effective Date, neither the City nor Developer shall be in default under this Agreement, but Developer shall have the right to terminate this Agreement pursuant to Section 510. If the City adopts such resolutions of vacation, the City shall complete such vacations and abandonments (and the vacation and abandonment of any in-place utilities) and convey title to the Right-Of-Way Areas owned by the City and easements to the Pedestrian Bridge Airspace to Developer on or before the Closing Date. The City shall reasonably cooperate with Developer to the extent required in connection with (i) the relocation of any in-place utilities at no cost to the City and (ii) obtaining all rights to construct the Pedestrian Bridges, including, as necessary, reasonably cooperating with Developer in negotiations with any governmental agencies.

H. [§ 216] Reserved

I. [§ 217] Time For and Place For Delivery of the Grant Deeds

The City shall use its good faith efforts to deposit each of the Grant Deeds with the Escrow Agent on or before the date set forth in the Schedule of Performance.

J. [§ 218] Payment of the Purchase Price and Recordation of the Grant Deeds

Developer shall promptly deposit the Purchase Price (and any portion of the Acquisition Costs not previously paid) with the Escrow Agent upon or prior to the scheduled Closing Date, provided that the Escrow Agent shall have notified Developer in writing that each Grant Deed for the conveyance, properly executed and acknowledged by the City has been delivered to the Escrow Agent and that title to and/or possession (as applicable) of the Arena Site and title and possession to the Ancillary Development Sites are each in condition to be conveyed to Developer

in conformity with the provisions of this Agreement. The Escrow Agent shall deliver the Purchase Price (and any portion of the Acquisition Costs not previously paid) to the City immediately following the delivery to Developer of the Title Policy in conformity with this Agreement and the recording of all of the Grant Deeds in the property records of the Los Angeles County Recorder's Office.

K. [§ 219] Title Insurance

Concurrently with recordation of the Grant Deeds, Fidelity National Title ("**Title Company**") shall provide and deliver to Developer a CLTA coverage owner's title insurance policy or policies issued by Title Company insuring that the title to and/or possession of (as applicable) each parcel comprising the Arena Site and title to and possession of the Ancillary Development Sites are vested in Developer in the condition required by this Agreement, along with any special endorsements which Developer reasonably requests. If requested by the Title Company, the City shall deliver to the Title Company an owner's affidavit in commercially reasonable form. At the sole election and cost of Developer, Developer may obtain an ALTA survey of each of the Arena Site and the Ancillary Development Sites and cause the Title Company to issue a ALTA owner's title insurance policy or policies. The title insurance policy shall be in the amount of the combination of the Purchase Price and the Acquisition Costs (collectively the "**Total Site Cost**") or in such greater amount as Developer may specify as hereinafter provided.

Concurrently with the issuance of the title policy or policies for the Project Site (the "**Title Policy**"), the Title Company shall, if requested by Developer, provide Developer with an endorsement to insure the amount of Developer's estimated construction costs of the Improvements to be constructed thereon and any lender's interest therein.

Developer shall pay for all premiums attributable to any extended coverage or special endorsements which it requests above and beyond a CLTA title insurance policy.

L. [§ 220] Taxes and Assessments

Ad valorem taxes and assessments, if any, on the Project Site, and taxes upon this Agreement or any rights hereunder, levied, assessed or imposed for any period, commencing prior to the conveyance of title and/or possession of the Project Site shall be borne by the City. Ad valorem taxes and assessments, if any, on the Project Site, and taxes upon this Agreement or any rights hereunder, levied, assessed or imposed for any period commencing after conveyance of title and/or possession of the Project Site shall be borne by Developer.

M. [§ 221] Occupants of the Project Site

The City agrees that title to and/or possession of (as applicable) each of the Arena Site and title to and possession of the Ancillary Development Sites shall be conveyed free of any possession, right of possession or right of acquisition of any third party.

N. [§ 222] Zoning of the Project Site

Subject to the provisions of, and as described in, the Development Agreement and the Scope of Development, prior to the Closing Date, Developer shall take such actions as are necessary to procure or to obtain those future approvals and actions of the City that may be approved after the Effective Date, including discretionary and ministerial actions by the City (as defined in the Development Agreement, the "**Subsequent Approvals**"), which may include but are not limited to, demolition permits, determinations of consistency with the SEC Development Guidelines adopted as part of the Project Approvals, grading permits, building permits, final parcel and subdivision maps, lot line adjustments, and mergers. The City shall provide all proper and reasonable assistance and cooperation to Developer in connection therewith, and shall use its good faith and best efforts in cooperating with and facilitating Developer's efforts to obtain all of the necessary Subsequent Approvals and/or any other permits required for the development of the Project Site, in accordance with, and as described in, the Development Agreement and the SEC Development Guidelines.

O. [§ 223] Physical Condition of the Project Site

Within the times provided in the Schedule of Performance, the City shall perform the following preparatory work to the Project Site: (i) remove all construction materials, rubbish and debris and restore the Project Site to a clean and clear condition, ready for Developer's construction activities, and (ii) remove any and all improvements, fixtures, equipment and materials installed or deposited on the Project Site from and after the Effective Date, including the remediation of any Hazardous Materials deposited on the Project Site after the Effective Date, unless Developer is otherwise entitled to a Remediation Cost Adjustment to the Purchase Price related to such remediation (collectively, the "**Restoration Work**"), all at no cost or expense to Developer.

Subject to the completion of the City's obligations as to the Restoration Work, the Project Site shall be conveyed in an "as is" physical condition, with no warranty, express or implied by the City as to the condition of the soil, water, or presence of Hazardous Materials (as defined herein), the Project Site's geology, or the presence of known or unknown faults. In this regard, the City, at the written request of Developer, shall make available to Developer all documents within the City's possession or control pertinent to the physical condition of the Site, including any reports related to the presence of Hazardous Materials on the Project Site, within fifteen (15) business days of the request. It shall be the sole responsibility of Developer, at Developer's sole cost and expense, to investigate and determine the soil and water conditions of the Project Site and the suitability of the Project Site for the construction of the Improvements by Developer, and to pay for the demolition and clearance of improvements on, in or under the Project Site as necessary for the development of the Project Site.

Developer shall be solely responsible for all necessary testing of the Project Site for Hazardous Materials pursuant to all applicable laws, statutes, rules and regulations. Upon the acquisition of the Arena Site and the Ancillary Development Sites, Developer shall also be responsible for making the Project Site usable for the proposed development as a result of any

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conditions including, without limitation, flood zones, Alquist-Priolo Earthquake Fault Zoning Act, and similar matters, and, subject only to the Remediation Cost Adjustment, subsequent to Developer's acquisition of the Project Site, Developer shall be responsible for any costs associated with any required remediation of Hazardous Materials which is necessary for the Project Site and for performing all work required in connection therewith. For purposes of this Agreement, "**Hazardous Materials**" shall mean 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 products, 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 Project Site 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. Any studies and reports generated by Developer's testing for Hazardous Materials shall be made available to the City upon the City's request.

P. [§ 224] Relationship of the City and Developer

Nothing contained in this Agreement or in any other document or instrument made in connection with this Agreement shall be deemed or construed to create a partnership, tenancy in common, joint tenancy, joint venture or co-ownership by or between the City and Developer.

O. [§ 225] Preliminary Work by Developer

Prior to the conveyance of title to the Arena Site and the Ancillary Development Sites representatives of Developer shall have the right of access to and entry upon the City Parcels (and the Private Parcels, if and when possession is obtained by the City) at all reasonable times for the purpose of inspecting the Project Site, obtaining data and making surveys and tests necessary to carry out this Agreement. Developer agrees to defend, indemnify and hold the City, and its officers, employees, contractors and agents, harmless for any and all claims, liability, loss, damage, costs, or expenses (including reasonable attorneys' fees and court costs) arising out of work or activity of Developer, its officers, employees, contractors and agents, permitted pursuant to this Section 225, except to the extent arising out of the gross negligence or willful misconduct of the City, and/or its officers, staff, employees, contractors or agents or relating to the discovery of any Hazardous Materials on the Project Site. Developer shall not commence any activities under this Section 225 without first providing the City with satisfactory evidence of insurance meeting the requirements of this Agreement, and the provision of adequate restoration of the Project Site to its condition prior to the commencement of any activities under this Section 225 with the exception of any Hazardous Materials condition discovered on the City Parcels prior to Closing Date; the remediation of which shall be dealt with the provisions of Section 201 relating to the Remediation Cost Adjustment.

P. [§ 226] Submission of Evidence of Financing

Within the time established therefor in the Schedule of Performance, Developer shall submit to the City evidence reasonably satisfactory to the City that Developer has sufficient equity capital and/or has obtained commitments for financing necessary to pay for all costs related to Developer's purchase and development of the Project Site, including, without limitation, the costs for the construction of the Improvements (the "**Development Costs**"), in accordance with this Agreement.

Developer's submission of such evidence of financing shall include:

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1. A project budget, estimated as of the Closing Date, setting forth all anticipated Development Costs, or a certification by Developer that the applicable portion of the Project Budget attached hereto as **Attachment No. 3** remains accurate. The Project Budget shall be maintained as a sources and uses budget, which shall be based upon a financial *pro forma* that has been reasonably approved by the City, and a feasible method of financing, reasonably demonstrating to the City the availability of all funds needed to complete the proposed development of the Project Site.
2. If applicable, a copy of any commitment or commitments obtained by Developer for any mortgage loan or loans or other debt financing for construction financing to finance all or portions of the Total Site Costs and Development Costs, certified by Developer to be a true and correct copy or copies thereof. The commitment or commitments for financing shall be in such form and content reasonably acceptable to the City, or in such a form and with such content as typically issued by an institutional lender (subject to customary conditions).
3. Documentary evidence reasonably satisfactory to the City of sources of equity capital sufficient to demonstrate that Developer has adequate funds committed to cover the difference, if any, between the Total Site Costs and Development Costs and the proposed mortgage loan or loans.

The City Manager shall approve or disapprove each submission of evidence of financing within fifteen (15) City business days following submission. If the City disapproves any such evidence of financing, the City shall do so by written notice to Developer stating with specificity the reasons for such disapproval. If the City gives Developer such timely written notice, Developer shall promptly, but in any event prior to the date required for re-submission of the applicable evidence of financing in the Schedule of Performance, obtain and submit to the City new evidence of financing. The City Manager shall approve or disapprove such new evidence of financing in the same manner and within five (5) City business days following re-submission.

Q. [§ 227] CEQA Requirements

As referenced in Recital N, the City Council certified the FEIR as adequate and complete and made findings in connection therewith for the development of the Project by Developer. All costs and expenses associated with further environmental clearance and/or documentation required for the development of the Project as contemplated by this Agreement shall be the sole responsibility of Developer. Developer will comply with all mitigation measures applicable to the Project; the implementation of which, is identified in the MMRP as the responsibility of the "owner" or the "project sponsor," excluding any mitigation measures that are expressly identified as the responsibility of a different Person in the MMRP. In addition, Developer shall comply with the Greenhouse Gas Emissions Conditions of Approval attached to the Development Agreement as Exhibit H-1, which by this reference is incorporated herein.

R. [§ 228] Brokers

Neither party shall be liable in any manner for any real estate commission or brokerage fees which may arise from the transactions contemplated by this Agreement, other than any broker, agent, or finder engaged in writing by such party. Each party hereto agrees to indemnify and hold the other party harmless from any claim by any broker, agent, or finder retained by the indemnifying party.

III. [§300] DEVELOPMENT OF THE PROJECT SITE

A. [§301] Responsibilities for Development of the Project Site

Developer shall be solely responsible for developing the Project Site and constructing the Improvements thereon in accordance with the requirements of this Agreement and the Development Agreement, including, but not limited to the development of the Arena Site which, at no cost to the City, shall promote and provide its residents with access to recreation in the form of spectator sports, specifically basketball. The Arena Site shall specifically include accommodation of other spectator sports, entertainment and civic events and activities related thereto as well as other uses reasonably related and incidental to arena uses, including, without limitation, restaurant, food service and retail uses, philanthropic activities, ancillary and administrative office uses, concourse area uses, practice and training facilities, a sports medicine clinic and parking uses (the "**Arena Use**"). The development of the Arena Site is intended to promote the recreation and enjoyment of the public.

B. [§ 302] Scope of Development; SEC Development Guidelines

The Arena Site, the West Parking Garage Site and the East Transportation Site shall each be developed in accordance with and within the limitations established in the "**Scope of Development**" which is attached hereto as **Attachment No. 5**. The Hotel Site shall be developed in accordance with and within the limitations established in a separate scope of development, which shall be subject to the approval of the City.

The City has adopted those certain Sports and Entertainment Complex Design Guidelines and Infrastructure Plan (the "**SEC Development Guidelines**") to establish specific design standards for the development of the Project within the Sports and Entertainment Overlay Zone ("**SE Overlay Zone**"), adopted by Ordinance No. ____, and as established in Article 17.5 of Chapter 12 of the Inglewood Municipal Code, the requirements for on-site and off-site Public Infrastructure to be provided, and the review and permitting process for the Improvements and Public Infrastructure. The SEC Design Guidelines portion of the SEC Development Guidelines, includes, without limitation, standards for site design, features and design elements for buildings and structures, landscaping, signage, and lighting, parking, loading and circulation and sustainability, and the City's review of the plans therefor ("**SEC Design Review**"). The SEC Infrastructure Plan portion of the SEC Development Guidelines establishes the Public Infrastructure and on-site private infrastructure ("**Private Infrastructure**") improvements required to be provided for the Project, and includes, without limitation, wet and dry utilities,

streets and sidewalks, and City water well relocation, and the City's review of the plans therefor ("**SEC Improvement Plan Review**").

Developer shall deliver to the City the SEC Design Drawings, as described in the SEC Development Guidelines, and such additional information reasonably requested by the City's Economic & Community Development Director concerning the SEC Design Drawings. The drawings and architectural renderings required by the SEC Development Guidelines for the SEC Design Review (the "**SEC Design Drawings**") shall be consistent with the requirements of the SEC Development Guidelines, and include a well-defined architectural concept, showing vehicular circulation and access points, amounts and location of parking, location and size of all buildings (including height and perimeter dimensions), pedestrian circulation, and architectural character, as well as landscape plans, showing the location and design of landscaped areas and the varieties and sizes of plant materials to be planted therein, and other landscape features.

Developer shall also deliver to the City the SEC Improvement Plans, as described in the SEC Development Guidelines, and such additional information reasonably requested by the City's Economic & Community Development Director or Department of Public Works Director concerning the drawings for the Public Infrastructure and Private Infrastructure (including, without limitation, wet and dry utilities, streets and sidewalks, and City water well relocation) required to serve the Arena Site, the West Parking Garage Site and the East Transportation Site (the "**SEC Improvement Plans**").

C. [§ 303] Basic Site Plan Drawings

Developer has prepared those certain Basic Site Plan Drawings attached hereto as **Attachment No. 6** for the Arena Site, the West Parking Garage Site and the East Transportation Site, which were included in Attachment No. 2 to the City Council Staff Report dated July 21, 2020. The City has determined that the Basic Site Plan Drawings are consistent with the Project Approvals (including the Scope of Development) and the SEC Design Guidelines. Developer may modify or amend the Basic Site Plan Drawings only after the City Economic & Community Development Director's determination that the modifications or amendments are not inconsistent with the SEC Development Guidelines, and upon such determination, the revised Basic Site Plan Drawings shall utilized for the purposes set forth in the SEC Development Guidelines.

D. [§ 304] Applications for SEC Design Review and SEC Improvement Plan Review

Within the times established in the Schedule of Performance, Developer shall prepare and submit an application for each of SEC Design Review and SEC Improvement Plan Review to the City in accordance with the requirements of the SEC Development Guidelines.

During the preparation of the SEC Design Drawings and SEC Improvement Plans, the City and Developer shall, at the request of the City, hold regular progress meetings to coordinate the preparation of, submission to, and review of the each application by the City. The City and

Developer shall communicate and consult informally as frequently as is necessary to ensure that the formal submittal of the applications to the City can receive prompt and speedy consideration.

E. [§ 305] City Review and Approval

The City's review and approval of the applications for SEC Design Review and SEC Improvement Plan Review shall be in accordance with the requirements of the SEC Development Guidelines. The City's review shall consist of a determination that the SEC Design Drawings or SEC Improvement Plans are not materially inconsistent with the Project Approvals, including the SEC Development Guidelines, the Basic Site Plan Drawings, any approved changes to the Project Approvals or SEC Development Guidelines, or any previously approved SEC Design Drawings or SEC Improvement Plans or other previously approved Subsequent Approvals. If any revisions or corrections of the SEC Design Guidelines or SEC Infrastructure Plan, or associated SEC Design Drawings or SEC Improvement Plans previously approved by the City shall be required by any other government official, agency, department, or bureau having jurisdiction over the Project Site or required Infrastructure, Developer and the City shall cooperate in efforts (i) to revise or correct the SEC Design Guidelines, SEC Infrastructure Plan, SEC Design Drawings and/or SEC Improvement Plans in order to comply with the required revision or correction of such government official, agency, department, or bureau, (ii) to obtain a waiver of such requirements, or (iii) to develop a mutually acceptable alternative. Any such changes shall be within the limitations of the Scope of Development, the SEC Development Guidelines, the Basic Site Plan Drawings, the Project Approvals or any Subsequent Approvals.

F. [§ 306] Cost of Construction

All costs of developing the Project Site, and constructing the Improvements thereon, as well as the Public Infrastructure, shall be borne by Developer.

G. [§ 307] Schedule of Performance

It is the intention of the City and Developer that the disposition and development of the Project Site be completed in a timely and an expeditious manner. Accordingly, the Schedule of Performance encompasses appropriate and necessary benchmarks to be met by the appropriate party, together with required conditions precedent for the conveyance of the Arena Site and the Ancillary Development Sites. The City agrees to assign the appropriate planning, engineering, building, safety and other staff to enable the parties to meet the timelines in the Schedule of Performance.

After the conveyance of title to and/or possession of (as applicable) the parcels comprising the Arena Site Developer shall promptly begin and thereafter diligently prosecute to completion the construction of the Improvements (recognizing that commencement of construction shall include any grading or other site preparation activities) on the Arena Site , and the development thereof as provided in the Scope of Development. Within the times specified in the Schedule of Performance, Developer shall begin and thereafter diligently prosecute to completion the construction of the Improvements (recognizing that commencement of

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construction shall include any grading or other site preparation activities) on the West Parking Garage Site and the East Transportation Site. Developer shall use commercially reasonable efforts to begin and complete the construction of the Improvements on each of the Arena Site the West Parking Garage Site and the East Transportation Site within the times specified in the Schedule of Performance. The Hotel Site shall be developed in accordance with and within the times established in a separate schedule of performance, which shall be subject to the approval of the City. The Schedule of Performance is subject to revision from time to time as mutually agreed upon in writing by the City and Developer or pursuant to Section 605 hereof.

During periods of construction, Developer shall submit to the City a written report of the progress of the construction when and as reasonably requested by the City, but in no event shall Developer be required to submit any such report more often than monthly. The report shall be in such form and detail as may be reasonably required by the City and shall include a reasonable number of construction photographs (if requested) taken since the last report by Developer.

H. [§ 308] Indemnification during Construction; Bodily Injury and Property Damage Insurance

During the period commencing with the conveyance of title to and/or possession of each of the Arena Site and the Ancillary Development Sites to Developer and continuing until such time as the City has issued a Release of Construction Covenants as to each of the Arena Site, the West Parking Garage Site, the East Transportation Site and the Hotel Site, respectively, Developer agrees to and shall defend, indemnify and hold the City and its officers, employees, contractors and agents harmless from and against all liability, loss, damage, costs, or expenses (including reasonable attorneys' fees and court costs) arising from or as a result of the death of any person or any accident, injury, loss, or damage whatsoever caused to any person or to the property of any person which shall occur on or adjacent to the Arena Site, the West Parking Garage Site, the East Transportation Site and/or the Hotel Site, respectively, and which shall be directly or indirectly caused by any acts done thereon or any errors or omissions of Developer or its officers, employees, contractors or agents, with the exception of the acts, errors or omissions of the City, and/or its officers, staff, employees, contractors or agents.

During the period commencing with any preliminary work on the Project Site by Developer under Section 225 and ending on the date when a Release of Construction Covenants has been issued with respect to each of the Arena Site, the West Parking Garage Site, the East Transportation Site and the Hotel Site, Developer shall furnish or cause to be furnished to the City, duplicate originals or appropriate certificates of bodily injury and property damage insurance policies in the amount of at least \$5,000,000 in combined single limit liability, and naming the City, and its officers, employees, contractors and agents as additional insureds.

I. [§ 309] Antidiscrimination during Construction

Developer agrees that in the construction of the Improvements on the Project Site as provided for by this Agreement, Developer will not discriminate against any employee or applicant for employment because of race, religion, creed, color, national origin, ancestry,

physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status.

J. [§ 310] Local, State and Federal Laws

Developer shall carry out the construction of the Improvements on the Project Site in conformity with applicable laws, statutes, rules and regulations (taking into account the terms of the Development Agreement, if approved), including all applicable Federal and State labor standards. Developer shall carry out development, construction (as defined by applicable law) and operation of the improvements on the Project Site, including, without limitation, any and all public works (as defined by applicable law), in conformity with all applicable local, State and Federal laws, including, without limitation, all applicable Federal and State labor laws (including, without limitation, the requirement to pay state prevailing wages to the extent applicable). Developer hereby expressly acknowledges and agrees that the City has not affirmatively represented to Developer or its contractor(s) for the construction or development of the Improvements in writing or otherwise, in a call for bids or otherwise, that the work to be covered by this Agreement is or is not a "public work," as defined in California Labor Code Section 1720. Developer hereby agrees that Developer shall have the obligation to provide any and all disclosures or identifications required by California Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time, or any other similar law to the extent applicable to Developer; provided, however, nothing herein shall be deemed an agreement or admission by Developer that Developer and/or the Project or any portion of the Project is a "public work". Developer shall indemnify, protect, defend and hold harmless the City and its officers, employees, contractors and agents, with counsel reasonably acceptable to the City, from and against any and all loss, liability, damage, claim, cost, expense and/or "increased costs" (including reasonable attorneys' fees, court and litigation costs, and fees of expert witnesses) which, in connection with the development, construction (as defined by applicable law) and/or operation of the Improvements, results or arises in any way from any of the following: (1) the noncompliance by Developer of any applicable local, State and/or Federal law, including, without limitation, any applicable Federal and/or State labor laws (including, without limitation, any requirement to pay State prevailing wages); (2) the implementation of California Senate Bill No. 966; (3) the implementation of California Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time, or any other similar law; and/or (4) failure by Developer to provide any required disclosure or identification as may be required by California Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time, or any other similar law. It is mutually agreed by the parties that, in connection with the development, construction (as defined by applicable law) and operation of the Improvements, including, without limitation, any public works (as defined by applicable law) to be constructed as part of the Improvements, Developer shall bear all risks of payment and/or non-payment of State prevailing wages and/or the implementation of California Senate Bill No. 966 and/or California Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time, and/or any other similar law. "**Increased costs**" as used in this Section 310 shall have the meaning ascribed to it in California Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time. The foregoing indemnity shall survive termination of

this Agreement and shall continue after completion of the construction and development of the Improvements by Developer. Notwithstanding the foregoing, the parties agree and acknowledge the City Parcels are being conveyed at a purchase price representing the fair market price of the City Parcels established pursuant to an independent third party appraisal.

K. [§ 311] City and Other Governmental Agency Permits

Before commencement of construction of the Improvements upon each of the Arena Site, the West Parking Garage Site, the East Transportation Site and the Hotel Site, respectively, Developer, with the City's assistance where reasonably necessary and appropriate, shall secure or cause to be secured, any and all permits which may, under applicable laws, statutes, rules and regulations be required by the City or any other governmental agency having jurisdiction over such construction.

L. [§ 312] Right of Access

Prior to the issuance of a Release of Construction Covenants for the Arena Site, the West Parking Garage Site, the East Transportation Site and the Hotel Site, as applicable, representatives of the City shall have a reasonable right of access to the applicable portion of the Project Site, upon two (2) business days' prior written notice to Developer, without charges or fees, during normal construction hours for the purposes of inspection of the work being performed in constructing the Improvements. However, no such notice shall be required in the event of an emergency involving the Project Site or any portion thereof.

Representatives of the City shall be those who are so identified in writing by the City Manager of the City (or his/her designee) necessary for such construction inspection purposes. Such representatives shall also be responsible for providing any required written notice to Developer. All activities performed on the Project Site by the City's representatives shall be done in compliance with all applicable laws, statutes, rules and regulations, and any written safety procedures, rules and regulations of Developer and and/or its contractors, and shall not unreasonably interfere with the construction of the Improvements or the transaction contemplated by this Agreement.

M. [§ 313] Responsibilities of the City

The City shall not be responsible for performing any work specified in the Scope of Development. However, City shall (i) complete the Restoration Work within the times provided in the Schedule of Performance, at no cost or expense to Developer and (ii) decommission and relocate the City-owned and operated potable water well in accordance with the provisions of Section 702, at Developer's sole cost and expense.

N. [§ 314] Taxes, Assessments, Encumbrances and Liens

Developer shall pay when due all real estate taxes and assessments assessed and levied on or against the Project Site and all portions thereof, subsequent to the Closing Date. Developer

shall not place, or allow to be placed on the Project Site or any portion thereof, any mortgage, trust deed, encumbrance or lien not authorized by or pursuant to this Agreement or not otherwise authorized by the City. Developer shall remove, or shall have removed, any levy or attachment made on the Project Site or any portion thereof, or shall assure the satisfaction thereof within a reasonable time but in any event prior to a sale thereunder. Nothing herein contained shall be deemed to prohibit Developer from contesting the validity or amount of any tax assessment, encumbrance or lien, nor to limit the remedies available to Developer in respect thereto. The covenants of Developer set forth in this Section 314 relating to the placement of any unauthorized mortgage, trust deed, encumbrance, or lien, shall remain in effect only until a Release of Construction Covenants has been recorded with respect to the Arena Site, the West Parking Garage Site, the East Transportation Site and the Hotel Site, as applicable.

O. [§ 315] No Encumbrances except Mortgages, Deeds of Trust, Conveyances and Leasebacks or Other Conveyance for Financing for Development

After conveyance of title and possession of the Arena Site and the Ancillary Development Sites to Developer, mortgages, deeds of trust, conveyances and leasebacks, or any other form of conveyance required for any reasonable method of financing are permitted with respect to the Project Site at any time, prior to the recordation of the Release of Construction Covenants for the Arena Site, the West Parking Garage Site, the East Transportation Site and the Hotel Site, as applicable, but only for the purpose of securing loans and funds to be used for financing the acquisition of the Project Site, or portion thereof as applicable, the construction of the Improvements on the Project Site, and any other expenditures necessary and appropriate to develop the Project Site or portion thereof as applicable, pursuant to the terms of this Agreement. Developer shall notify the City in advance of any mortgage, deed of trust, conveyance and leaseback, or other form of conveyance for financing, if Developer proposes to enter into the same before the recordation of the Release of Construction Covenants.

The words "mortgage" and "deed of trust" as used herein include all other appropriate modes of financing real estate acquisition, construction, and land development, including, without limitation, mezzanine financing.

P. [§ 316] Holder Not Obligated to Construct Improvements

The holder of any mortgage, deed of trust or other security interest authorized by this Agreement shall in no way be obligated by the provisions of this Agreement to construct or complete the Improvements or Public Infrastructure or to guarantee such construction or completion; nor shall any covenants or any other provision in a Grant Deed be so construed as to so obligate such holder. Nothing in this Agreement shall be deemed or construed to permit, or authorize any such holder to: (i) devote or use the Arena Site for any use, other than the Arena Use, and (ii) devote or use the Ancillary Development Sites in a manner not provided for or authorized by this Agreement.

Q. [§ 317] Notice of Default to Mortgage, Deed of Trust or Other Security Interest Holders; Right to Cure

Whenever the City shall deliver any notice or demand to Developer with respect to any breach or default by Developer, the City shall at the same time deliver to each holder of record of any mortgage, deed of trust or other security interest authorized by this Agreement a copy of such notice or demand. Each such holder shall (insofar as the rights of the City are concerned) have the right at its option (but without any obligation) within the later of ninety (90) days after the receipt of the notice or thirty (30) days following any applicable cure period accorded to Developer, to cure or remedy, or commence to cure or remedy, any such default and to add the cost thereof to the security interest debt and the lien of its security interest; provided, however, that in the case of a default which cannot diligently be remedied or cured, or the remedy or cure of which cannot be commenced within such 90-day or 30-day period, such holder shall have such additional time as reasonably necessary to remedy or cure such default with diligence and continuity. If such default shall be a default which can only be remedied or cured by such holder upon obtaining possession of the property or other asset subject to the applicable mortgage, deed of trust or other security interest authorized by this Agreement, and such holder has elected to remedy or cure such default, such holder shall seek to obtain possession of the applicable property or other asset with diligence and continuity through foreclosure, deed in lieu of foreclosure or such other procedure as the holder may elect, and shall remedy or cure such default within one hundred and twenty (120) days after obtaining possession; provided, however, that in the case of a default which cannot diligently be remedied or cured, or the remedy or cure of which cannot be commenced within such 120-day period, such holder shall have such additional time as reasonably necessary to remedy or cure such default with diligence and continuity. Nothing contained in this Agreement shall be deemed to permit or authorize such holder to undertake or continue the construction or completion of the Improvements (beyond the extent necessary to conserve or protect the Improvements or construction already made) without first having expressly assumed Developer's obligations to the City by written agreement reasonably satisfactory to the City; provided, however, such holder shall not be bound by any amendment, implementation, or modification to this Agreement to which such lender has not given its prior written consent for Developer to enter into. Any such holder that has so assumed Developer's obligations to the City shall not be required to remedy or cure any default of Developer that is not susceptible of being cured by such holder. Any such holder that has so assumed Developer's obligations to the City must agree to complete, in the manner provided in this Agreement, the Improvements to which the lien or title of such holder related, and submit evidence reasonably satisfactory to the City that it, or a development manager retained by such holder, has the qualifications and/or financial responsibility necessary to perform such obligations. Any such holder properly completing such Improvements shall be entitled, upon written request made to the City, to a Release of Construction Covenants as to the Arena Site and/or the Ancillary Development Sites, as applicable, from the City. For purposes of this Agreement, the term "holder" shall be deemed to include any designee, nominee or affiliate of such holder as well as any other foreclosure sale purchaser or any purchaser taking title directly from such holder, designee, nominee or affiliate following foreclosure.

R. [§ 318] Right of City to Cure Mortgage, Deed of Trust, or Other Security Interest Default

In the event of a default or breach by Developer of a mortgage, deed of trust or other security interest with respect to the Project Site prior to the issuance of a Release of Construction Covenants as to the Arena Site, the West Parking Garage Site, the East Transportation Site and the Hotel Site, as applicable, by the City, and the holder has not exercised its option to complete the Improvements thereon, the City may cure any monetary default prior to completion of any foreclosure. In such event, the City shall be entitled to reimbursement from Developer of all costs and expenses incurred by the City in curing the default. The City shall also be entitled to a lien upon the Project Site to the extent of such costs and disbursements, which lien shall be subordinate to any such mortgage, deed of trust or other security interest.

Notwithstanding the preceding paragraph, Developer hereby acknowledges that the City shall be under no obligation pursuant to this Section 318 to cure any such default.

S. [§ 319] Right of the City to Satisfy Other Liens on the Property after Title Passes

Prior to the recordation of a Release of Construction Covenants as to the Arena Site, the West Parking Garage Site, the East Transportation Site and the Hotel Site, as applicable, if Developer, after a thirty (30) day period following its receipt of notice of the existence of any such liens or encumbrances, has failed to challenge, cure or satisfy any such liens or encumbrances on the Project Site (or the applicable portion thereof), the City shall have the right to satisfy any such liens or encumbrances; provided, however, that nothing in this Agreement shall require Developer to pay or make provisions for the payment of any tax, assessment, lien or charge so long as Developer in good faith contests the validity or amount thereof, and so long as such delay in payment shall not subject the Project Site (or the applicable portion thereof) to forfeiture or sale.

T. [§ 320] Release of Construction Covenants

Promptly after completion of the applicable Improvements as evidenced by final inspection approvals by the City, the City shall furnish Developer with a Release of Construction Covenants as to each of the Arena Site, the West Parking Garage Site, the East Transportation Site and the Hotel Site, as applicable, (each a "**Release of Construction Covenants**") within ten (10) business days upon written request therefor by Developer. Each such Release of Construction Covenants shall be, and shall so state, conclusive determination of satisfactory completion of the construction required by this Agreement upon the Arena Site, the West Parking Garage Site, the East Transportation Site or the Hotel Site, as applicable, in substantial compliance with the SEC Design Drawings, and of full compliance with the terms hereof with respect to the construction of the Improvements upon such portion of the Project Site. After the recordation of the Release of Construction Covenants upon such portion of the Project Site, any party then owning or thereafter purchasing, leasing, or otherwise acquiring any interest therein shall not (because of such ownership, purchase, lease or acquisition) incur any obligation or

liability under this Agreement, except that such party shall be bound by any covenants contained in the applicable Grant Deed for each of the Arena Site, the West Parking Garage Site, the East Transportation Site or the Hotel Site. Except as specifically provided for in the applicable Grant Deed, neither the City nor any other person, after the recordation of a Release of Construction Covenants, shall have any rights, remedies or controls that it would otherwise have or be entitled to exercise under this Agreement with respect to the Arena Site and the Ancillary Development Sites, as applicable. Any default in or breach of any provision of this Agreement, and the respective rights and obligations of the parties with reference to the Project Site (or portion thereof) shall be limited thereafter to those set forth in the applicable Grant Deed. The parties shall take such actions and execute such documents as may be necessary or advisable to memorialize the termination of this Agreement as to the Arena Site, the West Parking Garage Site, the East Transportation Site and the Hotel Site, as applicable, promptly upon the recordation of a Release of Construction Covenants.

Each Release of Construction Covenants shall be in such form as to permit it to be recorded in the property records of the Los Angeles County Recorder's Office.

If the City refuses or fails to furnish a Release of Construction Covenants after written request from Developer, the City shall, within ten (10) business days of the written request, provide Developer with a written statement which describes with specificity Developer's failure to construct the applicable Improvements pursuant to this Agreement and explains the reasonable reasons the City refused or failed to furnish a Release of Construction Covenants. The statement shall also contain the City's opinion of the action Developer must take to obtain a Release of Construction Covenants. If the reasons for such refusal are confined to the immediate unavailability of specific items or materials for landscaping, the City will issue its Release of Construction Covenants upon the posting of a bond by Developer with the City in an amount representing a fair value of the work not yet completed. If the City shall have failed to provide such written statement within said ten (10) business day period, Developer shall be deemed entitled to the Release of Construction Covenants.

A Release of Construction Covenants shall not constitute evidence of compliance with or satisfaction of any obligation of Developer to any holder of a mortgage, or any insurer of a mortgage securing money loaned to finance the Improvements, nor any part thereof. A Release of Construction Covenants is not a Notice of Completion as referred to in Section 3093 of the California Civil Code.

U. [§ 321] Project Identification Sign

Prior to commencement of any construction on the Project Site, up until the issuance of a Release of Construction Covenants by the City for the Arena Site, Developer shall prepare and install, at its cost and expense, a project identification sign at one location along the street frontage of the Project Site. The sign shall be at least eighteen (18) square feet in size and visible to passing pedestrian and vehicular traffic. The design of the sign as well as its proposed location shall be submitted to the City for review and approval, which approval shall be given or

reasonably withheld within five (5) business days prior to installation. The sign shall, at a minimum, include:

- Development name: Inglewood Basketball and Entertainment Center
- Developer: MURPHY'S BOWL LLC
- Mayor: James T. Butts, Jr.
- Councilmembers: George W. Dotson, 1st District
Alex Padilla, 2nd District
Elroy Morales, Jr., 3rd District
Ralph L. Franklin, 4th District
- Estimated Completion Date _____, 2024.
- For information call _____.

Developer shall obtain a current roster of the City's officials before signs are printed.

V. [§ 322] Development of Hotel Site

The City acknowledges that Developer currently intends to Transfer the Hotel Site to a third-party developer for the development and construction of a hotel and that the Scope of Development and Schedule of Performance does not address the construction of such hotel. Provided that the Transfer of the Hotel Site is to Bhagat Investments - Century, LLC, or one of its Affiliates, the City's consent shall not be required; provided, however, Developer shall obtain the City's consent, if required under Section 106, for a Transfer to any other Person. Notwithstanding the foregoing, in connection with any Transfer of the Hotel Site, the Transferee shall assume in writing Developer's obligations under this Agreement as to the Hotel Site (which obligations may be amended and restated between the Transferee and the City, as the City may reasonably require) and Developer shall be released from all obligations hereunder as to the Hotel Site upon the written assumption of the Hotel Site development obligations by the Transferee. Any Transferee of the Hotel Site shall be solely responsible for obtaining all land use entitlements and permits required for the development and construction on the Hotel Site. Notwithstanding the foregoing provisions, Developer may elect to retain and develop the Hotel Site as a hotel, or for such other uses permitted under the Project Approvals, and upon such election, shall submit for the City's approval a Scope of Development and Schedule of Performance relating to the improvements proposed to be constructed by Developer on the Hotel Site.

IV. [§ 400] USE OF THE PROJECT SITE

A. [§ 401] Use of the Arena Site

As more particularly set forth in the Grant Deed(s) for the Arena Site attached hereto as **Attachment Nos. 7-A and 7-B**, and subject to the limitations therein, Developer covenants and

agrees that it shall not use the Arena Site for any purpose, other than the Arena Use, in order to promote the enjoyment and recreational use of the public and no other use shall be permitted or maintained on the Arena Site. Developer acknowledges and agrees that the reversion of title and possession to City, as set forth in the Grant Deed for the Private Parcels attached hereto as **Attachment Nos. 7-B**, is a required reservation and restriction to preserve the public use (i.e. the Arena Use) on the Private Parcels in compliance with the requirements of California Code of Civil Procedure Section 1245.245.

B. [§ 402] Maintenance of the Project Site

From the date of this Agreement until the Closing Date (or earlier termination of this Agreement), the City agrees to continue its maintenance of the Project Site in the same manner as was conducted in the ordinary course of business prior to the Effective Date. During construction of the Improvements, Developer shall maintain the Project Site in a good and professional manner, keep the Project Site reasonably free from graffiti and any accumulation of debris or waste materials.

C. [§ 403] Obligation to Refrain from Discrimination

Developer covenants and agrees that (i) there shall be no discrimination against or segregation of any person, or group of persons, on account of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, creed, national origin, ancestry, familial status, source of income, disability, veteran or military status, or genetic information of that person in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Project Site and (ii) neither Developer nor any person claiming under or through it shall establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Project Site.

D. [§ 404] Form of Nondiscrimination and Nonsegregation Clauses

1. Developer covenants and agrees for itself, its successors, its assigns, and all persons claiming under or through them that there shall be no discrimination against or segregation of any person or group of persons on account of sex, sexual orientation, marital status, race, color, creed, religion, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Project Site, nor shall Developer itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of the Project Site by, for, or with any tenants, lessees, sublessees, subtenants, or vendees on or about the Project Site. The foregoing covenants shall run with the land.

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2. All deeds, leases or contracts made relative to the Project Site, improvements thereon, or any part thereof, shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:
 - a. In deeds: "The Developer herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the Developer or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."
 - b. In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."
 - c. In contracts: "There shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the land, nor shall the transferee itself or any person claiming under or through him or her, establish or permit any

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such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the land. The aforesaid statutes are in amplification and do not restrict or diminish the requirement for Developer to encourage such leases and contracts in furtherance of the Agreement, including the City of Inglewood Employment and Training Agreement and Requirements (Attachment No. 8) which must promote the local economy by encouraging local business enterprise(s) within the City of Inglewood to make bids and proposals in leasing and contracting concerning the use, operation, and maintenance of the Project Site and by providing preference to local contractors in procurements in the use, operation, and maintenance of the Project Site."

3. All conditions, covenants and restrictions contained in the respective Grant Deeds shall be covenants running with the land, and shall, in any event, and without regard to technical classification or designation, legal or otherwise, be, to the fullest extent permitted by law and equity, binding for the benefit and in favor of, and enforceable by City, its successors and assigns, against Developer, its successors and assigns, and any party in possession or occupancy of such portion of the Project Site.
4. The covenants against discrimination set forth in Section 404, Paragraphs 1 and 2 of this Agreement and, as incorporated in the respective Grant Deeds shall remain in effect in perpetuity.

E. [§ 405] Effect and Duration of Covenants

The covenants established in this Agreement shall, without regard to technical classification and designation, be binding on Developer for the benefit and in favor of the City. Any covenants, conditions or restrictions that are intended to survive the recordation of the Release of Construction Covenants by the City shall be contained in the Grant Deeds for the Arena Site and the Ancillary Development Sites and shall remain in effect for the period specified therein. The parties expressly acknowledge and agree that certain benefits set forth in the Development Agreement, if entered into by the parties, are intended to, and will, survive the recordation of the Release of Construction Covenants in accordance with the terms of the Development Agreement. Covenants, conditions and restrictions in this Agreement not expressly set forth in the Grant Deeds for the Arena Site and the Ancillary Development Sites shall terminate upon the issuance of a Release of Construction Covenants for the applicable portion of the Project Site (i.e. each of the Arena Site, the West Parking Garage Site, the East Transportation Site and the Hotel Site, respectively).

V. [§ 500] **DEFAULTS, REMEDIES AND TERMINATION**

A. [§501] Defaults - General

Subject to the extensions of time set forth in Section 605 and the notice and cure periods provided in Sections 507-512 hereof, any material failure or delay by any party to perform any term or provision of this Agreement shall constitute a default under this Agreement. The party who fails or delays must promptly commence to cure, correct or remedy such failure or delay and continue to take all steps necessary to completely cure, correct or remedy such failure or delay with reasonable diligence.

The injured party shall give written notice of default to the party in default, specifying the default complained of by the injured party. Failure or delay in giving such notice shall not constitute a waiver of any default. Except as otherwise expressly provided in this Agreement, any failures or delays by any 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 any party in asserting any of its rights and remedies shall not deprive any 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 provided such actions or proceedings are initiated prior to the default being cured by the defaulting party.

B. [§ 502] Legal Actions

1. [§ 503] Institution of Legal Actions; Venue

Subject to the terms of this Agreement, any party may institute legal action to cure, correct or remedy any default, to recover damages for any default, or to obtain any other remedy consistent with the terms of this Agreement. The parties hereby agree that in the event of litigation between the parties, venue for litigation brought in any State court shall lie exclusively in the County of Los Angeles, Superior Court, Southwest District located at 825 Maple Avenue, Torrance, California 90503-5058, and venue for any litigation brought in any Federal court shall lie exclusively in the Central District of California, Los Angeles.

2. [§ 504] Applicable Law

The laws of the State of California shall govern the interpretation and enforcement of this Agreement and the legal relations between the parties.

3. [§ 505] Acceptance of Service of Process

If any legal action is commenced by Developer against the City, service of process on the City shall be made by personal service upon the City Manager, or in such other manner as may be provided by law.

If any legal action is commenced by the City against Developer, service of process on Developer shall be made by personal service upon any officer or managing member of

Developer and shall be valid whether made within or without the State of California, or in such manner as may be provided by law.

C. [§ 506] Rights and Remedies Are Cumulative

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by any party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by any other party.

D. [§ 507] Damages

The parties have determined that, except in connection with a party's default of its express monetary payment or reimbursement obligations under this Agreement (*e.g.*, the indemnity obligations under Sections 220, 223, or 308 or those payment obligations under Section 205), monetary damages are an inappropriate remedy for any default hereunder. If any party is in default with regard to any of the provisions of this Agreement relating to monetary payments or reimbursements due by such party, the non-defaulting party shall serve written notice of such default upon the defaulting party. If the default is not cured by the defaulting party within thirty (30) days after receipt of a notice of default, then the non-defaulting party may thereafter (but not before) commence an action for damages against the defaulting party with respect to such default. Notwithstanding the foregoing, Developer and the City would not have entered into this Agreement if they could be liable for indirect or consequential, punitive, or special damages. Accordingly, Developer and the City each waive any costs, claims, damages or liabilities against, and covenant not to sue, the other party for indirect, consequential, punitive, or special damages, including loss of profit, loss of business opportunity, or damage to goodwill.

E. [§ 508] Specific Performance

In addition to the rights and remedies set forth in Section 507 hereof, if any party is in default with regard to any of the provisions of this Agreement, the non-defaulting party shall serve written notice of such default upon the defaulting party. If the default is not cured by the defaulting party within thirty (30) days after receipt of a notice of default, then the non-defaulting party may thereafter (but not before, unless necessary to prevent immediate harm) commence an action for specific performance of the terms of this Agreement with respect to such default. However, if the default is the type in which the defaulting party is incapable of curing within the thirty (30) day cure period, then if the defaulting party fails to commence the necessary actions to cure the default within the requisite thirty (30) days and fails to continuously and diligently cure the subject default within a reasonable period of time after commencement, then the non-defaulting party may thereafter (but not before, unless necessary to prevent immediate harm) commence an action for specific performance of the terms of this Agreement against the defaulting party with respect to such default.

F. [§ 509] Remedies and Rights of Termination

1. [§510] Termination by Developer

If prior to delivery of title and/or possession (as applicable) to the Arena Site and delivery of title and possession to the Ancillary Development Sites to Developer pursuant to the provisions of this Agreement:

- a. Developer is unable, despite using commercially reasonable efforts, to obtain any of the Subsequent Approvals; or
- b. Developer is unable, despite using commercially reasonable efforts, to obtain financing consistent with this Agreement for the acquisition of the Project Site and construction of the Improvements and to deliver to the City any submission of evidence of such financing within the times set forth in the Schedule of Performance; or
- c. there has occurred a material change to the condition of the Project Site or title to the Project Site (including, without limitation, entry of judgment affecting title or the right of the City to deliver possession of any City Parcel, the imposition of any assessment district which has not been consented to by Developer) since the Effective Date or an eminent domain action is initiated against all or any portion of the Project Site (other than an eminent domain action initiated by the City as to the Private Parcels); or
- d. there has occurred a material change in the market and/or local, State or national economy which, in the written and reasonable opinion of Developer, negatively impacts the ability of Developer to develop, finance and/or lease the Project; or
- e. the City is unable, despite using commercially reasonable efforts, to tender conveyance of title to all City Parcels and the complete and absolute right to possession thereof without *lis pendens* to Developer in the manner and condition, and within the established time therefor in the Schedule of Performance; or
- f. by the date four (4) months following the Effective Date, the Development Agreement or any of the Project Approvals are not effective; or
- g. by the date four (4) months following the Effective Date, the City, with respect to each Private Parcel, has not (i) acquired fee simple absolute title, or (ii) adopted a Resolution of Necessity and commenced eminent domain proceedings as described in Section 203 (recognizing that

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adoption of any Resolution of Necessity shall be at the sole and absolute discretion of the City); or

- h. the City is unable to: (i) acquire fee simple absolute title to the Private Parcels by purchase, exchange, gift, eminent domain proceedings (i.e. Final Order of Condemnation) or any other method available to the City under Federal or State law (recognizing that the institution of any eminent domain proceedings shall be at the sole and absolute discretion of the City); (ii) tender conveyance of fee title of the Private Parcels to Developer; and (iii) obtain and tender possession of the Private Parcels to Developer in the manner and condition set forth in this Agreement, and within the established time therefor in the Schedule of Performance; or
- i. by the date six (6) months following the Effective Date, the City has not adopted a resolution of vacation, vacating and abandoning the Right-Of-Way Areas and Pedestrian Bridge Airspace (recognizing that the institution of any vacation proceedings shall be at the sole discretion of the City), or following any such election, is unable thereafter to tender conveyance of title to the Right-Of-Way Areas or easements to the Pedestrian Bridge Airspace to Developer in the manner and condition set forth in this Agreement as of the Closing Date; or
- k. the Title Company is unwilling or unable to issue the Title Policy on the Closing Date; or
- l. if Developer fails to approve the FAA Restrictions on or before the date provided therefor in the Schedule of Performance; or
- m. by the date four (4) months following the Effective Date, if FAA or LAWA fail to approve the Basic Purchase Price and the Adjusted Purchase Price; or
- n. by the date four (4) months following the Effective Date, if any taxing entity fails to provide a Taxing Entity Acceptance; or
- o. if any Challenge is filed relating to this Agreement, including any challenge to the validity of this Agreement or any of its provisions, or if a referendum petition relating to the Development Agreement or any Project Approval is timely and duly circulated, filed, and certified as valid; or
- p. City fails to timely perform any material obligation required of City under this Agreement; or
- q. if Developer reasonably concludes that Developer will be unable, despite using commercially reasonable efforts, to complete construction of the

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Project in sufficient time to utilize the arena for professional basketball games for the 2024-2025 NBA season (including pre-season games);

and, if any such default(s) or failure(s) referred to in subdivision (a) through (p) of this Section 510 is susceptible to cure by the City and shall not be cured by the City within thirty (30) days after the date of written demand therefor by Developer, then this Agreement and any rights of the City in this Agreement, may, at the option of Developer, be terminated with respect to the Project Site by written notice thereof to the City, and neither Developer, nor any assignee or transferee of Developer, shall have any further rights against or liability to the City under this Agreement with respect to the Project Site.

2. [§511] Termination by City

A. First, if prior to delivery of title and/or possession (as applicable) to the Arena Site and delivery of title and possession to the Ancillary Development Sites to Developer pursuant to the provisions of this Agreement:

1. Developer shall fail to timely deliver to the City any submission of evidence of equity and, if applicable, financing commitments with respect to the Site within the times set forth in the Schedule of Performance; or
2. Developer, in violation of the provisions of this Agreement, Transfers or attempts to Transfer this Agreement or any right herein, or in the Project Site (or portion thereof); or
3. there is a Change in Control in the ownership of Developer, or with respect to the identity of the parties in control of Developer, or the degree thereof contrary to the provisions of Section 106, in violation of the provisions of this Agreement; or
4. Developer does not timely deliver the SEC Design Drawings within the times set forth in the Schedule of Performance without the advance written consent of the City; or
5. Developer does not pay the Total Site Costs and take title and/or possession to the Arena Site (as applicable) and title and possession to the Ancillary Development Sites by the date provided therefor in the Schedule of Performance, under a tender of conveyance by the City pursuant to this Agreement other than as a result of a prior termination of this Agreement or a default by the City; or
6. Developer fails to approve the FAA Restrictions on or before the date provided therefor in the Schedule of Performance, or
7. Developer fails to timely perform any other material obligation of the

development of the Project Site as required under this Agreement,

Secondly, if the City serves Developer with a written demand specifying with particularity Developer's failure under subdivisions 1) through 7) of the foregoing part A of this Section 511, and such failure is not cured within thirty (30) days after the date of such written demand by the City, or if the failure is the type in which Developer is incapable of curing within the thirty (30) day period, and Developer fails to commence and perform the necessary actions to cure the failure within a reasonable period of time after commencement, then this Agreement and any rights of Developer in this Agreement, or arising therefrom with respect to the City may, at the option of the City, be terminated with respect to the Project Site by written notice of the City given to Developer specifying such termination, and thereafter neither the City nor Developer, nor any assignee or transferee of Developer, shall have any further rights against or liability to the other under this Agreement with respect to the Project Site.

G. [§512] Right of Re-Entry

The City shall have the right, at its sole option, which must be exercised, if at all, prior to the cure, to reenter and take possession of each of the Arena Site, the West Parking Garage Site, the East Transportation Site or the Hotel Site, as applicable, and all Improvements thereon, and to terminate and revest in the City the estate conveyed to Developer, if after conveyance of title and possession to the Arena Site, the West Parking Garage Site, the East Transportation Site and the Hotel Site, respectively, and prior to the recordation of the Release of Construction Covenants pertaining to the Arena Site, the West Parking Garage Site, the East Transportation Site or the Hotel Site, respectively, Developer shall:

- (a) fail to commence construction of the Improvements (recognizing that commencement of construction shall include any grading or other site preparation activities performed on the Arena Site, the West Parking Garage Site, the East Transportation Site or the Hotel Site, as applicable, by Developer following conveyance) in accordance with the Schedule of Performance and within thirty (30) days following delivery of written notice of such failure by the City to Developer, provided that Developer has not obtained an extension or postponement of time pursuant to Section 605; or
- (b) abandon or substantially suspend construction of the Improvements on the Arena Site, the West Parking Garage Site, the East Transportation Site or the Hotel Site, as applicable, for a period of nine (9) consecutive months and within thirty (30) days following delivery of written notice of such abandonment or suspension has been given by the City to Developer, provided Developer has not obtained an extension or postponement of time pursuant to Section 605; or
- (c) Transfer or attempt to Transfer this Agreement, or any rights herein, or suffer any involuntary transfer of the Project Site or any portion thereof in violation of this Agreement, and such violation shall not be cured within thirty (30) days following delivery of written notice of such failure by the City to Developer.

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Such right to re-enter, repossess, terminate, and revest shall be subject to and be limited by and shall not defeat, render invalid, or limit:

- (i) any mortgage, deed of trust, or other security interests permitted by this Agreement with respect to the Arena Site, the West Parking Garage Site, the East Transportation Site and/or the Hotel Site, as applicable; or
- (ii) any rights or interests provided in this Agreement for the protection of the holders of such mortgages, deeds of trust, or other security interests.

The rights established in this Section 512 shall not apply to the Arena Site, the West Parking Garage Site, the East Transportation Site or the Hotel Site, on which any Improvements to be constructed thereon have been completed in accordance with this Agreement and for which a Release of Construction Covenants has been recorded therefor as provided in Section 320.

The Grant Deeds to the Arena Site, the West Parking Garage Site, the East Transportation Site and the Hotel Site shall contain appropriate reference and provision to give effect to the City's right, as set forth in this Section 512 under specified circumstances prior to the recordation of the applicable Release of Construction Covenants, to re-enter and take possession of the Arena Site, the West Parking Garage Site, the East Transportation Site or the Hotel Site, as applicable, with all Improvements thereon, and to terminate and revest in the City the estate conveyed to Developer and the terms of such Grant Deeds shall control over any inconsistent provisions of this Agreement.

Subject to the rights of the holders of security interests as stated in subparagraphs (i) and (ii) above, upon the revesting in the City of title to the Arena Site, the West Parking Garage Site, the East Transportation Site or the Hotel Site, as applicable, as provided in this Section 512, the City shall use commercially reasonable efforts to resell the Arena Site, the West Parking Garage Site, the East Transportation Site or the Hotel Site, as applicable, as soon and in such manner as the City shall find feasible to maximize the value thereof to a qualified and responsible party or parties (as determined by the City in its reasonable discretion), who will develop the Arena Site, the West Parking Garage Site, the East Transportation Site and/or the Hotel Site, as applicable, and will not re-sell the Arena Site, the West Parking Garage Site, the East Transportation Site and/or the Hotel Site, as applicable, and will not prior to such development or hold the Arena Site, the West Parking Garage Site, the East Transportation Site and/or the Hotel Site, as applicable, for speculation in land.

Upon such resale of the Arena Site, the West Parking Garage Site, the East Transportation Site and/or the Hotel Site, as applicable, or any part thereof, and satisfaction of obligations owed to the holder of any mortgage, deed of trust or other security interest authorized by this Agreement, the proceeds thereof shall be applied:

- (y) first, to reimburse the City, for all reasonable costs and expenses incurred by the City arising from and after such revesting in the City, including but not limited to fees of consultants engaged in connection with the recapture, management, and

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resale of the Arena Site, the West Parking Garage Site, the East Transportation Site and/or the Hotel Site, as applicable (but less any income derived by the City from the sale of the Arena Site, the West Parking Garage Site, the East Transportation Site and/or the Hotel Site, as applicable, in connection with such management); all taxes, assessments and water and sewer charges with respect to the Arena Site, the West Parking Garage Site, the East Transportation Site and/or the Hotel Site, as applicable (or, in the event the Arena Site, the West Parking Garage Site, the East Transportation Site or the Hotel Site, as applicable, is exempt from taxation or assessment or such charges during the period of City ownership, then such taxes, assessments, or charges, as would have been payable if the Arena Site, the West Parking Garage Site, the East Transportation Site or the Hotel Site, as applicable was not so exempt); any payments made or necessary to be made to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults, or acts of Developer; and any amounts otherwise owing to the City by Developer; and

- (z) second, to reimburse Developer up to the amount equal to (1) the sum of the Purchase Price for the Arena Site, the West Parking Garage Site, the East Transportation Site and/or the Hotel Site, as applicable, and the Acquisition Costs for the Private Parcels paid to the City by Developer, if applicable; and (2) the hard and soft costs reasonably incurred for the construction of the Improvements and development of the Arena Site, the West Parking Garage Site, the East Transportation Site or the Hotel Site, as applicable, less (3) any gain or income withdrawn or made by Developer therefrom or from the improvements thereon attributable to the Arena Site, the West Parking Garage Site, the East Transportation Site or the Hotel Site, as applicable.

Any balance remaining after such reimbursements shall be retained by the City as its property.

For avoidance of doubt, the City's exercise of its rights under this Section 512 shall be its sole and exclusive remedy for the conditions described in the foregoing subparts (a) – (c) and such reverter rights shall only be applicable to the specific portion of the Project Site (*i.e.*, the Arena Site, the West Parking Garage Site, the East Transportation Site or the Hotel Site) to which such breach relates. To the extent that the right established in this Section 512 involves a forfeiture, it must be strictly interpreted against the City, the party for whose benefit it is created. The rights established in this Section 512 are to be interpreted in light of the fact that the City will convey the Arena Site, the West Parking Garage Site, the East Transportation Site and the Hotel Site to Developer for development and not for speculation in undeveloped land.

VI. [§ 600] GENERAL PROVISIONS

A. [§ 601] Notices, Demands and Communications between the Parties

Notices, demands, and communications between the City and Developer shall be sufficiently given if dispatched by registered or certified mail, postage prepaid, return receipt requested or by reputable overnight service that maintains delivery receipts (e.g., Federal Express) to the principal offices of the City and Developer, as set forth below. All notices, demands, and communications under this Agreement will be deemed given, received, made, or communicated on the delivery date or attempted delivery date shown on the return receipt. Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail as provided in this Section 601. The respective mailing addresses of the parties are, until changed as provided herein, the following:

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

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

with a copy to: Kane, Ballmer & Berkman
(and shall not constitute 515 S. Figueroa Street, Suite 1850
notice to City) Los Angeles, CA 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

by a failure or default of Developer, acts or failure to act of the City or any other public or governmental agency or entity (other than an act or failure to act of the City which shall give rise to the delaying act described above), or an administrative appeal, judicial challenge, or filing an application for referendum relating to this Agreement or for any Project Approval or Subsequent Approval, even if development or construction activities are not stayed, enjoined, or otherwise prohibited (collectively a "**Challenge**") until the Challenge is finally resolved on terms satisfactory to Developer or the City or waived each in their sole discretion. An extension of time for any such cause shall be for the period of the delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within thirty (30) days of knowledge of the commencement of the cause. Times of performance under this Agreement, including all of the provisions of the Schedule of Performance, may also be extended in writing by the City Manager and Developer, and a party's consent to such extension shall not be unreasonably withheld, conditioned or delayed.

Wherever this Agreement refers to performance by a specific time, or in accordance with the Schedule of Performance, such times shall include any extensions pursuant to this Section 605. Subject to this Section 605, time is of the essence with respect to each provision of this Agreement.

F. [§ 606] Inspection of Books and Records

Prior to the issuance by the City of a Release of Construction Covenants for each of the Arena Site, the West Parking Garage Site, the East Transportation Site and the Hotel Site, as contemplated by this Agreement, the City shall have the right at all reasonable times upon five (5) business days' written notice to inspect the books and records of Developer pertaining to the Project Site as pertinent to the purposes of this Agreement when needed by the City to: (1) determine the final Remediation Cost Adjustment to the Purchase Price, (2) establish the evidence of financing referred to in Section 226; (3) determine the Excess Purchase Price, if any; and (3) determine amounts necessary to cure under Section 318 and 319.

G. [§ 607] Approvals

Except where this Agreement expressly provides for an approval of either party in its sole discretion, approvals required of the City or Developer shall not be unreasonably withheld, conditioned or delayed.

H. [§ 608] No Third Party Beneficiaries

This Agreement is made and entered into for the sole protection and benefit of the City and Developer, and no other Person shall have any rights or causes of action against either the City or Developer hereon or hereunder nor shall any third party beneficiaries be established in any way by this Agreement. The City and Developer expressly acknowledge and agree they do not intend, by their execution of this Agreement, to benefit any Persons not signatory to this Agreement, including, without limitation, any brokers that may represent the parties to this transaction.

I. [§ 609] Attorneys' Fees

If any litigation is commenced between the parties to this Agreement concerning any provision of this Agreement, including all attachments hereto, or the rights and obligations of any party, the parties to this Agreement hereby agree that the prevailing party in such litigation shall be entitled, in addition to such other relief as may be granted by the court, to a reasonable sum as and for its attorneys' fees in that litigation which shall be determined by the court in that litigation or in a separate action brought for that purpose.

J. [§ 610] Counterparts

This Agreement may be executed in counterparts, each of which when so executed shall be deemed an original, and all of which, together, shall constitute one and the same instrument.

K. [§ 611] Severability

Except as is otherwise specifically provided for in any Development Agreement entered into between the City and Developer, the invalidation of any provision of this Agreement, or of its application to either party, by judgment or court order shall not affect any other provision of this Agreement or its application to any party or circumstance, and the remaining portions of this Agreement shall continue in full force and effect, unless enforcement of this Agreement as invalidated would be unreasonable or grossly inequitable under all the circumstances or would frustrate the fundamental purposes of this Agreement.

VII. [§ 700] SPECIAL PROVISIONS

A. [§ 701] Employment and Training Agreement

Notwithstanding anything contained in this Agreement to the contrary, Developer hereby agrees to comply and/or cause the compliance with the contracting as well as employment and training requirements set forth in the Employment and Training Agreement, which is attached to this Agreement as **Attachment No. 8**.

B. [§ 702] Relocation of City Well

City shall relocate the City-owned and operated potable water well from its existing location on the City Parcels as set forth on **Attachment No. 1** (the "**Existing Well Site**"), to its new location of-site location, as set forth on **Attachment No. 1** (the "**New Well Site**"). All such expenses attributable to the well relocation and new well construction shall be at Developer's sole cost and expense and in accordance with a budget prepared by the City and approved by Developer. The new well improvements shall be constructed substantially in accordance with plans and specifications approved by the City and Developer. The City shall (i) decommission and destroy the existing well in accordance with all applicable laws, orders, rules or regulations of any governmental authority (including, but not limited to California Department of Water Resources Bulletins 74-81 and 74-90), (ii) remove any portions of the existing improvements or

equipment on the Existing Well Site as the City desires; (iii) terminate electric power service to the Existing Well Site; and (iv) seal the valve that cuts the exiting well off from the City's well water transmission main, each within the time period set forth in the Schedule of Performance, so that Developer may complete the demolition of the Existing Well Site after the Closing Date. The City shall complete the construction of the new well improvements on the New Well Site after the Closing Date within the time period set forth in the Schedule of Performance. The City shall terminate all agreements relating to the Existing Well Site within the time period set forth in the Schedule of Performance, including, without limitation, all agreements with West Basin Municipal Water District relating to the Existing Well Site.

C. [§ 703] Point of Sale

To the extent legally permissible, and subject to applicable law, Developer shall designate, and shall use commercially reasonable efforts to cause its contractors, subcontractors, vendors and other third parties under its control or with whom it enjoys privity of contract to designate the City of Inglewood as the point of sale for California sales and use tax purposes (to the extent the payment of sales and use tax is required by applicable law), for all purchases of materials, fixtures, furniture, machinery, equipment and supplies for the development of the Project Site in excess of Five Hundred Thousand Dollars (\$500,000), subject to the requirements of the California Board of Equalization, during construction thereof.

VIII. [§ 800] ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS

This Agreement shall be executed in five (5) duplicate originals each of which is deemed to be an original. This Agreement includes [_____ ()] pages and [_____ ()] attachments which constitute the entire understanding and agreement of the parties.

This Agreement constitutes the entire agreement of the parties hereto with respect to the disposition of the Project Site to Developer and integrates all of the terms and conditions mentioned herein or incidental hereto, and all agreements or understandings or representations between the parties. This Agreement supersedes the ENA and all negotiations or previous agreements between the parties related to the ENA.

None of the terms, covenants, agreements or conditions set forth in this Agreement shall be deemed to be merged with any of the Grant Deeds providing for the conveyance of the Project Site and this Agreement shall continue in full force and effect with respect to the Project Site from the date on which this Agreement is executed by the City until a Release of Construction Covenants is recorded for the Project Site as applicable.

All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the City or Developer, and all amendments hereto must be in writing and signed by the appropriate authorities of the City and Developer.

This Agreement and any provisions hereof may be amended by mutual written agreement by Developer and the City and such amendment shall not require the consent of any other fee

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owner, tenant, lessee, easement holder, licensee, or any other person or entity having an interest in the Project Site. The City Manager (without any obligation to do so) and Developer may approve minor amendments to this Agreement (which shall not include changes related to monetary contributions or payments by Developer) by written agreement without a public hearing to the extent permitted by applicable laws, statutes, rules and regulations, including without limitation California Government Code Section 65868; provided however, the City Manager shall have the sole discretion to seek such approval by the City Council.

IX. [§ 900] **TIME FOR ACCEPTANCE OF AGREEMENT BY THE CITY; DATE OF AGREEMENT**

This Agreement, when executed by Developer and delivered to the City, must be authorized, executed and delivered by the City to Developer within thirty (30) days after this Agreement is signed by Developer, or the offer to enter into this Agreement may be revoked by Developer on written notice to the City. This Agreement shall be effective as of the Effective Date.

THE CITY:

CITY OF INGLEWOOD,
a municipal corporation

Dated: _____

By: _____
James T. Butts, Jr.
Mayor

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DEVELOPER:

MURPHY'S BOWL LLC,
a Delaware limited liability company

Dated: _____

By: _____

Name: _____

Its: _____

APPROVED AS TO FORM AND LEGALITY:

KENNETH R. CAMPOS
City Attorney

By: _____
Kenneth R. Campos, Esq.

APPROVED:

KANE, BALLMER AND BERKMAN
City Special Counsel

By: _____
Royce K. Jones, Esq.

ATTEST:

YVONNE HORTON
City Clerk

By: _____
Yvonne Horton