

June 14, 2013

## EXPOSITION PARK/ COLISEUM TERM SHEET

The Los Angeles Memorial Coliseum Commission (LAMCC) has negotiated the terms of an Amended and Restated Lease with the University of Southern California (USC) for the Coliseum and the Sport Arena that allows USC to lease both the Coliseum and Sports Arena until 2054. USC currently leases the Coliseum from LAMCC for its home football games. Under the terms of the current lease, the LAMCC is obligated to make certain improvements to the Coliseum. The LAMCC does not have the financial resources to make the required improvements to the Coliseum. The LAMCC and USC have negotiated the terms of the Amended and Restated Lease that would require USC to assume LAMCC's obligations to make the required capital improvements to the Coliseum which improvements are expected to cost between \$70 and \$100 million. USC will be responsible for paying to the Science Center, the rent owed under LAMCC's lease with the Science Center.

The LAMCC/USC lease also includes a lease of the Sports Arena to USC. Under the terms of the Lease, USC has the right to demolish the Sports Arena and replace the improvements subject to the approval of the LAMCC. LAMCC approval is not required if the Sports Arena is replaced with a soccer stadium, sports training facilities, playing fields, museum, amphitheater or other similar event space that meets the public benefit requirement of the District Lease. USC also has the right to cease all operations at the Sports Arena after giving the LAMCC 180 day's written notice to that effect, however, USC cannot cease Sports Arena operation prior to the 2nd anniversary of the LAMCC/USC lease commencement date, except if USC is proposing to redevelop the Sports Arena. If USC ceases operation of the Sports Arena, LAMCC has the right to terminate the lease with respect to the Sports Arena property, in which event the Sports Arena would once again be operated by LAMCC.

The LAMCC/USC Lease does not become effective until certain transaction contingencies are either satisfied or waived by USC. The Transaction Contingencies are (1) the execution of a non-disturbance agreement by the Science Center; (b) the execution of a tail lease or lease option allowing USC to continue to lease the Coliseum and the Sports Arena after the expiration of the LAMCC/USC lease; (c) the execution of a lease by the Science Center and USC leasing parking lots 1-6 to USC on terms satisfactory to USC.

This Term Sheet proposes terms for the non-disturbance agreement, tail lease and parking agreements required to meet the transaction contingencies required for effectiveness of the LAMCC/USC Lease. These terms are intended to supplement and amend, as appropriate, the terms that USC and the Science Center previously negotiated in the Nondisturbance Agreement and related lease documents released for public comment by the Science Center and USC on December 17, 2012. It is the parties intent that these terms will be incorporated into the Nondisturbance Agreement ("NDA"), the Nondisturbance Agreement and Direct Lease Agreement, and the Coliseum and Sports Arena Lease Option Agreements and will only become binding upon the approval of the Nondisturbance Agreement, the Nondisturbance Agreement and Direct Lease Agreement, the Coliseum Lease Option and the Sports Arena Lease Option by USC, the Science Center, the California State and Consumer Services Agency or the California Resources Agency, as applicable, and the Department of General Services.

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1. Sports Arena

As a condition of the NDA, USC will agree that;

(a) USC will not cease operations of the Sports Arena as currently allowed in the LAMCC/USC Lease until USC has complied with following conditions:

(i) USC has provided the LAMCC and the Science Center with reasonably detailed documentation demonstrating that the Sports Arena cannot continue to be operated on at least a break even basis. Such documentation may include, but shall not be limited to, documentation that demonstrates that the Sports Arena generates insufficient revenues to offset the cost of operating and maintaining the venue or documentation that demonstrates the need for capital repairs or improvements to the venue that cannot be paid for from revenues generated by the Sports Arena, after covering all other operating and maintenance cost.

(ii) If USC desires to cease operation of the Sports Arena, USC shall provide written notice to the Science Center to that effect no earlier than the second anniversary of the commencement date of the LAMCC/USC Lease. After the Science Center receives such notice, USC and the Science Center will meet in good faith to determine options for continuing operations at the Sports Arena, which may include rent reductions or the Science Center negotiating with the LAMCC to take responsibility for the Sports Arena. Notwithstanding the provisions of the LAMCC/USC Lease, except in the event of a redevelopment that is permitted herein, USC agrees that it will not cease operations of the Sports Arena prior to the third anniversary of the LAMCC/USC Lease Commencement Date. If the Science Center (with the approval of the appropriate State agencies) agrees to provide USC with a rent reduction during the fourth and fifth years of operations of the Sports Arena by USC that would offset all losses USC would otherwise incur in continuing to operate the Sports Arena, USC agrees that it will not cease operations of the Sports Arena prior to the fifth anniversary of the LAMCC/USC Lease Commencement Date except in the event of a redevelopment that is permitted herein.

For purposes of determining the operating losses incurred by USC, USC shall not be compensated for any maintenance and repair work that, pursuant to its lease agreement with LAMCC, it was required to perform in prior years during which USC operated the Sports Arena.

(b) Any redevelopment of the Sports Arena by USC, other than a redevelopment consistent with the projects described in the Los Angeles Memorial Sports Arena Redevelopment Project Final Environmental Impact Report prepared for the Los Angeles Memorial Coliseum Commission dated January 21, 2011 (SCH #2010041059) (the

“EIR”), will be subject to the approval of the Science Center Board in its sole discretion. USC and the Science Center representatives will meet on a regular basis, but no less than once every six months, after the commencement of the LAMCC/USC Lease to discuss any redevelopment plans USC may have for the Sports Arena property and USC agrees to provide the Science Center Board with regular updates regarding any such redevelopment plans. The Science Center Board, in considering approval of the redevelopment of the Sports Arena, will consult with other Expo Park stakeholders and may conduct a community input process. The Science Center shall approve or disapprove any proposed redevelopment for which its approval is required within six months of receipt of a detailed project description from USC setting forth the proposed use for the Sports Arena property which includes conceptual drawings including height, density and uses. The Science Center Board will coordinate any required approvals from the Department of General Services and/or the Resources Agency related to the use of the property but USC will be responsible for obtaining any required approvals of construction and site plans from the relevant government authorities. If the Science Center fails to approve or disapprove any proposed redevelopment for which its approval is required within the six month period, such use shall be deemed approved but notwithstanding such deemed approval, USC shall still be obligated to obtain any required permits and approvals of construction and site plans from the relevant government authorities for the proposed redevelopment project. The Science Center and USC may mutually agree to extend the Science Center's time to approve or disapprove a proposed redevelopment proposal, in each party's sole and absolute discretion. In the event that the Science Center Board rejects USC's redevelopment proposal, USC may elect, in its sole and absolute discretion, to immediately give notice to cease operations of the Sports Arena pursuant to section 12.2 of the LAMCC/USC Lease and cease operations of the Sports Arena as provided in the LAMCC/USC Lease, provided, however, USC may not cease operations of the Sports Arena any earlier than the third anniversary of the commencement date of the LAMCC/USC Lease except in the event of a redevelopment that is permitted herein.

2. Maximum Number of Major Events at Coliseum and Sports Arena

No more than twenty-five (25) events (including USC Home Games and Commission Events, as defined in the LAMCC/USC Lease) with an anticipated attendance of 25,000 or more (“Major Events”) may be scheduled for the Coliseum and Sports Arena combined each year, provided that such events do not conflict with previously scheduled Major Events or Special Events being held by the other Expo Park entities. Notwithstanding the foregoing, anytime the Los Angeles Memorial Coliseum or Sports Arena are utilized for Olympic events or Special Olympic events, such events shall not count towards the twenty-five (25) Major Events and such events shall have priority over all other events in Exposition Park. Additionally, if the Coliseum is used on a temporary basis (not to exceed four consecutive years), by a National Football League (NFL) team for its home football games, such NFL games shall not count towards the twenty-five (25) Major Events so long as the total number of Major Events held in the Coliseum and the Sports Arena (excluding Olympic and Special Olympic events) does not exceed thirty (30) Major Events in any year.

3. Scheduling of Events

(a) The NDA will require that all events, exclusive of normal daily attendance at the museums, with an anticipated attendance of 3,000 or more including vendors and staff (unless such vendors and staff are parked offsite) ("Special Events") be calendared and coordinated with the Expo Park Manager. Each day of a multi-day Special Events and Major Events (as defined below) shall be considered a separate Special Event or Major Event for purposes of scheduling. Priority for events shall be as follows:

(i) USC will have priority for calendaring its home football games each year as well as any NFL games, if applicable. USC will provide schedule for football games and NFL games as soon as possible.

(ii) Each of the other Expo Park entities shall have priority to calendar up to 24 Special Events each year as long as the events do not interfere with other events already on the Expo Park calendar and USC Home Football games (and NFL Games, Olympics and Special Olympics, if applicable). By January 31st of each year, each of the other Expo Park entities shall provide the Expo Park Manager with their scheduling requests for the following 24 months, to the extent known at that time. If Special Events coincide or overlap such that the Park cannot accommodate all of the events, the priority for determining which events are rescheduled will be based on the order in which the events were placed on the Expo Park calendar.

(iii) Beyond the above priority, all Major Events and Special Events shall be scheduled on a first come/first serve basis, subject to the limitation on the number of Major Events permitted at the Coliseum/Sports Arena, as set forth above. Subject to the rights of the parties as set forth herein, conflicting requests for scheduling events, if any, shall be resolved by the Park Manager.

(b) The Expo Park Manager will maintain a central electronic calendar of all events and will update the calendar with any Major Events and Special Events scheduled. All Park entities will have access to the calendar and can submit requests for Major Events and Special Events to be scheduled on free days electronically to the Expo Park Manager, at any time. All park entities will use good faith, commercially reasonable efforts to release dates for Major Events and Special Events scheduled as soon as the entity knows that an event is not likely to occur on a specific reserved date. All Park entities will participate in a scheduling coordination meeting at least monthly.

4. Parking

As a condition of the Nondisturbance Agreement, USC and the Science Center will agree as follows:

The State will maintain ownership, management and operation of the Parking lots except as specifically set forth below.

**(a) USC Football Game Days:**

(i) When USC Football Games are held in the Coliseum, at USC's request, USC shall be granted a special event parking permit from the Expo Park Manager for the use of all of parking spaces in Exposition Park, less 375 spaces in Lot 3 which will be reserved for use by the Natural History Museum patrons and 600 spaces in the Science Center parking structure ("Structure") which will be reserved for use by Science Center and California African American Museum patrons (collectively the 375 spaces in Lot 3 and the 600 spaces in the Structure are referred to herein as the "Reserved Spaces"), which Reserved Spaces can be sold for game day patrons at the same rate that is charged to USC at the sole discretion of the Science Center and the California African American Museum with respect to the 600 spaces in the Structure and the Natural History Museum with respect to the 375 spaces in Lot 3 (all revenue from the sale of such Reserved Spaces to be deposited in the Exposition Park Fund). If USC Football Games are held on weekdays, the special event parking permit will require that USC accommodate bus parking in the surface lots until three hours prior to the commencement of the game. Notwithstanding the above, if additional parking spaces are developed in Expo Park, then the number of spaces in the Structure reserved for the Science Center/California African American Museum ("CAAM") on USC Home Football game days shall be increased so that the Science Center/CAAM continue to reserve the same percentage of parking spaces in Expo Park as it reserved prior to the increase in parking spaces.

(ii) The fee for the permit on USC Football Game Days, after the 2013 season, shall be an amount per space to be established by a parking study jointly commissioned by the parties to be performed by a parking consultant mutually selected by the parties, but in no event shall the parking rate be less than the rates set for the 2013 season. The parking study shall establish two rates, one rate being for general parking in the parking lots throughout Exposition Park and one rate being for special VIP parking on Exposition Park Drive, South Coliseum Drive and State Drive (collectively the "VIP Areas"), to the extent such VIP Areas are available for parking. The parking study shall be updated every five (5) years and shall take into consideration the rates charged at competing venues, the rates charged at competing parking facilities in the area, including the amount USC charges for parking in its parking structures on USC Football game days, and any other factors the parking consultant deems relevant for establishing fair market parking rates for special events in Exposition Park.

(iii) USC may elect to exclude the VIP Areas from its parking permit on USC Football game days in its sole and absolute discretion, provided, however, if USC elects to include the VIP Areas in the parking permit it must include all of the VIP Areas that can be made available for parking. Additionally,

if at any time the Los Angeles Police Department or any state or federal agency involved in providing protection or security for the American public requires or strongly recommends that the VIP Areas be closed for parking during USC Football Games or other Major Events, the parties shall abide by such requirements or recommendations and such areas shall be closed for use except as permitted by the advising agency. All parking passes for VIP Areas shall be non-transferrable.

(iv) Notwithstanding the foregoing, during the 2013 NCAA Football Season, the State of California shall continue to operate all parking facilities currently under its control in Exposition Park and shall sell parking passes for USC game days to USC, in accordance with the practice established in prior years, at a rate of \$25 for each parking stall in the surface parking lots and the Structure and \$50 for each parking stall in the VIP Areas.

**(b) Three Additional Major or Special Events:**

(i) For up to three (3) additional Major or Special Events, other than USC football games (“Three Additional Major or Special Events”), USC has the right, but not the obligation, to purchase a special event parking permit from the Expo Park Manager for all of the parking in Exposition Park, excluding the Reserved Spaces if the event occurs during the Natural History Museum, Science Center and California African American Museum normal operating hours. USC and the Expo Park Manager, shall, within one (1) business day of USC placing the Major Event or Special Event on the Exposition Park event calendar, determine the number of parking spaces necessary for the event, in their commercially reasonable discretion including the number of spaces in the Structure. USC and the Science Center shall, at least every five years, at the same time as the parking rates are updated, review the required number of spaces in the Structure reserved for the Science Center/CAAM on the Three Additional Major or Special Event days (excluding USC Home Football game days) taking into account attendance statistics at the Science Center for the prior five years and shall mutually agree upon the number of spaces in the Structure to be made available to USC on such days. In no event shall any such review impact the number of parking spaces made available to USC on USC Home Football game days.

(ii) USC shall determine the number of spaces to be covered by a special event parking permit for each of the Three Additional Major or Special Events no later than five business days after USC enters into an agreement with the event promoter. The fee for the permit will be equal to the daily rate charged in Exposition Park for parking, as determined by the Science Center Board from time to time, plus a two dollar (\$2.00) maintenance and security surcharge, increased by the applicable CPI adjusted every five years (“Security Surcharge”) multiplied by the number of parking spaces USC is requesting, such fee to be paid within five business days of USC entering into an agreement with the event promoter. If USC purchases a permit for the number of spaces that USC and the

Expo Park Manager agree are the number of spaces necessary for the event in accordance with Section (b)(i) above, within ten (10) days after the ticket sales for the event, USC can request to extend the special event parking permit to cover additional spaces at the same fee, provided that there are additional parking spaces available in Expo Park. If USC purchases a special event parking permit for a number of spaces that is less than the number of spaces that USC and the Expo Park Manager have determined are necessary for the event in accordance with Section (b)(i) above, USC shall not be able to purchase additional parking spaces after purchasing the initial special event parking permit, and to the extent that additional parking spaces are necessary for the event, the Expo Park Manager shall be entitled to operate those parking spaces for the event and collect all revenue from such operation, provided the Expo Park Manager will not charge less than the parking rate being charged by USC for the Event.

(iii) If any of the Three Additional Major or Special Events is held on weekdays, the special event parking permit will require that USC accommodate bus parking in the surface lots until three hours prior to the commencement of the Major or Special Event.

(iv) The special event parking permit will set time periods for parking uses based on the commercially reasonable determination of the Expo Park Manager regarding loading times for the Event with the goal of ensuring that the permit restricts parking for the amount of time necessary based on similar events at other local venues.

**(c) Other Major Events and Special Events:**

(i) For all other Major Events and Special Events at the Coliseum and Sports Arena, other than USC Football games and the Three Additional Major or Special Events, USC has the right, but not the obligation, to purchase a special event parking permit from the Expo Park Manager for parking spaces (i) in any of the surface lots, exclusive of 375 spaces reserved for the Natural History Museum in Lot 3 if the event occurs during the Natural History Museums normal operating hours; and (ii) in the Structure, but only if the time period that the special event parking permit would be effective is outside of normal operating hours for the California Science Center/CAAM, provided, however, if the Science Center or CAAM has scheduled an event on the Expo Park Calendar for the same time as the USC Major Event/Special Event, the Expo Park Manager will make a commercially reasonable determination of the number of spaces available in the Structure for the USC Major Event/Special Event taking into account the number of spaces the Expo Park Manager determines are commercially reasonably necessary in consultation with the Science Center/CAAM for the Science Center/CAAM event. USC shall have no right to purchase spaces in the Structure during the normal operating hours of the California Science Center except for USC Football games and the Three Additional Major or Special Events described above. USC and the Expo Park Manager, shall, within one (1) business day of

USC placing the Major Event or Special Event on the Exposition Park event calendar, determine the number of parking spaces necessary for the Event, in their commercially reasonable discretion.

(ii) USC shall determine the number of spaces to be covered by a special event parking permit for the Major or Special Event no later than five business days after USC enters into an agreement with the event promoter. The fee for the permit will be equal to the daily rate charged in Exposition Park for parking plus the Security Surcharge multiplied by the number of parking spaces USC is requesting, which fee is to be paid within five business days of USC entering into an agreement with the event promoter. If USC purchases a permit for the number of spaces that USC and the Expo Park Manager agree are the number of spaces necessary for the event in accordance with Section (c)(i) above within ten (10) days after the tickets sales for the event, USC can request to extend the special event parking permit to cover additional spaces at the same fee. If USC purchases a special event parking permit for a number of spaces that is less than the number of spaces that USC and the Expo Park Manager have determined are necessary for the event in accordance with Section (c)(i) above, USC shall not be able to purchase additional parking spaces after purchase of the initial special event parking permit, and to the extent that additional parking spaces are necessary for the event, the Expo Park Manager shall be entitled to operate those parking spaces for the event and collect all revenue from such operation, provided the Expo Park Manager will not charge less than the parking rate being charged by USC for the Event.

(iii) If any of the Events are held on weekdays, the special event parking permit will require that USC accommodate bus parking in the surface lots until three hours prior to the commencement of the Major or Special Event.

(iv) The special event parking permit will set time periods for parking uses based on the commercially reasonable determination of the Expo Park Manager regarding loading times for Event with the goal of ensuring that the permit restricts parking for the amount of time necessary based on similar events at other local venues.

**(d) General Provisions Regarding Parking:**

(i) USC and the Expo Park Manager shall coordinate parking operations to ensure that entrances to the museums are accessible to museum patrons on game days and other Major Event days.

(ii) If USC does not purchase a parking permit for Major and Special Events as allowed above, the State shall continue to operate the parking for such Major and Special Events and shall set the rates for such Major and Special Events.



(iii) If the California Science Center elects, in its sole and absolute discretion, to sell parking spaces in the Structure to patrons of any Major Event or Special Event held in the Coliseum or Sports Arena, such spaces may not be sold for a price that is less than the price established by USC for spaces covered by any special event parking permit for such Major Event or Special Event.

(iv) USC and the Science Center may negotiate adjustments in the permit fees for event parking in exchange for USC undertaking certain upgrades and maintenance of the surface parking lots. Any such agreement will be subject to all applicable state laws including procurement and contracting laws and rules and all improvements and upgrades will be subject to the normal state approval process.

(v) Commencing in 2014, USC shall have the right on a season by season basis to elect to manage and operate the Parking lots for which it holds a special event parking permit for USC Football Games during the time periods the permit is in effect. In the event USC operates and manages the parking lots, USC shall be responsible for paying any local government fees or charges that may apply to its resale of parking spaces for Major or Special Events and shall provide the State with appropriate indemnifications and insurance. USC and the Museum user will coordinate the operations of the Reserved Spaces during USC Football Games when USC is operating the other parking spaces to ensure access to Museum patrons to the Reserved Spaces and that all revenue collected from the Reserved Spaces is deposited in the Expo Park Improvement Fund.

(vi) USC acknowledges that the implementation of the Exposition Park Master Plan may result in changes to the surface parking lots in the future and USC agrees to comply with the Master Plan, and agrees to cooperate with the implementation of the Master Plan with regards to other areas of the Park including the Sports Arena and Coliseum properties, provided, such implementation does not interfere with USC's leasehold interest in the properties and provided, further, USC shall not be obligated to incur any costs associated with such cooperation.

5. Signage Policy

(a) USC and the Expo Park entities will make clear in any sponsor or naming rights contracts, that each entity only controls the sponsorships for property it controls and cannot and does not guarantee exclusivity with respect to product line for the remainder of the Park. USC acknowledges that the LAMCC/USC Lease limits its right to sell sponsorships or advertising only on those premises USC is leasing from the LAMCC and not on any other portions of Exposition Park.

(b) To the extent applicable in accordance with law, all parties will comply with the existing City Sign Ordinance in implementing a signage program.

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(c) 110 Freeway sign – LAMCC/USC Lease provides that USC cannot remove the 110 Freeway sign without the LAMCC's consent so long as LAMCC is the owner of the 110 Freeway sign. The NDA with Science Center will include a provision that will require USC to obtain the Science Center's consent to any removal of the sign unless the proposed removal includes replacement of the sign. Notwithstanding, the above, if USC is required to remove the sign by any governmental agency, as the result of a court order, or because the then-current condition of the sign or damage or destruction of the sign makes the sign a safety hazard, USC may immediately remove the 110 Freeway sign and shall have up to two years in which to replace the sign, subject to delays in obtaining necessary permits and entitlements for such replacement. USC also agrees to comply with the prior arrangements that guaranteed at least 24 public services announcements for Expo Park Events per month.

(d) USC shall not permit any temporary signage to remain on the exterior of the Coliseum for more than two (2) business days after the event with which the signage was affiliated has ended. For events occurring over a number of weeks, such as USC Football games, such signage must be removed no later than two (2) days after the last event in the series of such events, or within two (2) business days of the end of the football season for signage affiliated with USC Football games.