



GAIL FARBER, Director

**COUNTY OF LOS ANGELES
DEPARTMENT OF PUBLIC WORKS**

"To Enrich Lives Through Effective and Caring Service"

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August 12, 2014

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

22 August 12, 2014

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

**LEASE AGREEMENT
BETWEEN THE LOS ANGELES COUNTY FLOOD CONTROL DISTRICT
AND UNIVERSAL STUDIOS LLC
LOS ANGELES RIVER - PARCELS 649, ET AL.
IN THE CITY OF LOS ANGELES AND
IN THE UNINCORPORATED TERRITORY KNOWN AS UNIVERSAL CITY
AND COOPERATIVE AGREEMENT
BETWEEN THE COUNTY OF LOS ANGELES AND UNIVERSAL STUDIOS LLC
(SUPERVISORIAL DISTRICT 3)
(3 VOTES)**

SUBJECT

This action will allow the Los Angeles County Flood Control District to enter into a lease agreement with Universal Studios LLC, and the County of Los Angeles to enter into a cooperative agreement with Universal Studios LLC, along the Los Angeles River, partly in the City of Los Angeles and partly in the unincorporated territory of the County of Los Angeles known as Universal City.

IT IS RECOMMENDED THAT THE BOARD ACTING AS THE GOVERNING BODY OF THE LOS ANGELES COUNTY FLOOD CONTROL DISTRICT:

1. Find that the lease agreement between the Los Angeles County Flood Control and Universal Studios LLC is categorically exempt from the provisions of the California Environmental Quality Act.
2. Find that the lease agreement will not interfere with the Los Angeles County Flood Control District's use of the Los Angeles River, Parcels 649, et al., in the City of Los Angeles and the unincorporated territory of the County of Los Angeles known as Universal City.

3. Approve and instruct the Chairman of the Board of Supervisors of the Los Angeles County Flood Control District to sign the lease agreement and authorize delivery to Universal Studios LLC.

IT IS RECOMMENDED THAT THE BOARD ACTING AS THE GOVERNING BODY OF THE COUNTY OF LOS ANGELES:

1. Approve a cooperative agreement between the County of Los Angeles and Universal Studios LLC, providing for coordination and cooperation in the event of the construction of a bikeway along the Los Angeles River adjacent to Universal Studios LLC.
2. Instruct the Chairman of the Board of Supervisors of the County of Los Angeles to sign the cooperative agreement and authorize delivery to Universal Studios LLC.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended actions is to obtain approval from the Board, acting as the governing body of the Los Angeles County Flood Control District (LACFCD), to enter into a lease agreement with Universal Studios, LLC (Universal) (Enclosure A) to use portions of the LACFCD-owned Los Angeles River Parcels 649, et al., located partly in the City of Los Angeles and partly in the unincorporated territory of the County of Los Angeles known as Universal City, for vehicular ingress and egress purposes.

The purpose of the recommended actions is to also enter into a cooperative agreement between the County of Los Angeles and Universal (Enclosure B) pertaining to coordination and cooperation in the event of the construction of a bikeway by the County on a portion of Los Angeles River parcels between Lankershim Boulevard and Barham Boulevard.

On November 19, 1974, the LACFCD entered into Lease Agreement No. 24688 with MCA, INC., who has since been acquired by Universal, for the purposes of constructing, reconstructing, maintaining, and operating an access road along the southern portion of the Los Angeles River between Lankershim Boulevard and Barham Boulevard. Lease Agreement No. 24668 expired on November 18, 2009, and Universal entered into an interim rental agreement for the continued use of the LACFCD's property until a new lease is executed.

The lease will allow Universal the continued use of the LACFCD's property for vehicular ingress and egress without interfering with LACFCD use.

The County is preparing a plan for a bikeway generally adjacent to the Los Angeles River from Griffith Park to Studio City. A portion of the planned bikeway, if constructed, would affect Universal's leased property, and the cooperative agreement would allow the County and Universal to coordinate and cooperate in the event of the construction of the bikeway on the leased property.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs the provision of Operational Effectiveness/Fiscal Sustainability (Goal 1). The revenue received from this transaction will help promote fiscal responsibility for the operation and maintenance of flood control facilities.

FISCAL IMPACT/FINANCING

There will be no impact to the County General Fund.

The first year's rent is \$173,500, which will be paid and deposited into the Flood Control District Fund. Rent for subsequent years will be adjusted annually in accordance with changes in the Consumer Price Index, and the adjusted rent shall never be an amount less than the current rent. Universal will have two independent and successive options to extend the lease term for ten years each, for which rent will be determined by an appraisal.

The rent revenue will be deposited into the Flood Control District Fund.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Parcels 649, et al., are located along the southern portion of the Los Angeles River between Lankershim Boulevard and Barham Boulevard, partly in the City of Los Angeles and partly in the unincorporated Universal City area of the County.

The lease is authorized by Section 2, paragraph 13, of the Los Angeles County Flood Control Act. This section provides as follows: "The LACFCD is hereby declared to be a body corporate and politic, and has all the following powers...13. To lease . . . any property (or any interest therein) whenever in the judgment of the board of supervisors . . . the property, or any interest therein or part thereof. . . may be leased . . . without interfering with the use of the same for the purposes of the district..."

The lease is not considered adverse to the LACFCD's purposes and would not hinder the use of the Los Angeles River as possible transportation, utility, or recreational corridors.

On July 9, 2013, the Board instructed the Department of Public Works to convene a Universal Studios River Task Force to assist in the planning process for a regional bike path along the Los Angeles River from Studio City to Griffith Park and the construction of a segment of the regional bike path from Lankershim Boulevard to Barham Boulevard, adjacent to the Universal property. This task force has been convened, and the first meeting was held at the Hall of Administration on November 13, 2013. A consultant has been selected to prepare a Preliminary Scoping Report that will identify and evaluate all related details and alternatives to construct a bike path within the public right of way from Whitsett Avenue to Riverside Drive. The study is anticipated to be completed by the end of 2014. A consultant will also be selected to prepare design plans for the proposed bike path between Lankershim Boulevard and Barham Boulevard.

Subject to the outcome of the bike path planning process, the County anticipates utilizing a portion of the leased property for the bike path, and Universal anticipates utilizing the remaining portion for a new roadway facility. The cooperative agreement is intended to provide for coordination and cooperation between the County and Universal in the event of the construction of the bike path and new roadway.

County Counsel has reviewed and approved the lease and the cooperative agreement as to form.

ENVIRONMENTAL DOCUMENTATION

The lease is categorically exempt from the provisions of the California Environmental Quality Act (CEQA). The lease is within a class of projects that has been determined not to have a significant effect on the environment in that it meets the criteria set forth in Sections 15301(c) and 15304(a) and (f) of the CEQA Guidelines and Classes 1(x)(2) and 4(a) and (k) of the Los Angeles County Environmental Reporting Procedures and Guidelines, adopted by the Board on November 17, 1987. These exemptions provide for resurfacing and reconstruction of roadway pavement and minor trenching and backfilling.

The cooperative agreement is not a project pursuant to CEQA because it is an activity that is excluded from the definition of a project by Section 15378 (b) of the State CEQA Guidelines. This proposed action is an administrative activity of government, which will not result in direct or indirect physical changes to the environment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

This action allows for the joint use of the LACFCD's right of way without interfering with the primary mission of the LACFCD.

CONCLUSION

Please return one adopted copy of this letter and three executed cooperative agreements and three executed lease agreements to the Department of Public Works, Survey/Mapping & Property Management Division.

Respectfully submitted,



GAIL FARBER
Director

GF:SGS:mr

Enclosures

c: Auditor-Controller (Accounting Division - Asset Management)
Chief Executive Office (Rita Robinson)
County Counsel
Executive Office

ENCLOSURE A

FILE WITH:

Lease Agreement No. _____

Project/Stream: Los Angeles River

Right of Way Map No.: 19-RW 20.2 and 20.3

Right of Way Parcel No.: 649

Thomas Brother Page and Grid No.: 563-B5

Third District

LEASE AGREEMENT

Dated as of August 12, 2014

By and between

LOS ANGELES COUNTY FLOOD CONTROL DISTRICT

and

UNIVERSAL STUDIOS LLC

78251

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LEASE AGREEMENT

THIS LEASE AGREEMENT (this "LEASE") is entered into and is effective this 12th day of August, 2014, by and between the LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, a body corporate and politic (hereinafter referred to as "DISTRICT"), and UNIVERSAL STUDIOS LLC, a Delaware limited liability company (hereinafter referred to as "LESSEE").

RECITALS

WHEREAS, DISTRICT holds fee title to the property commonly known as the Los Angeles River, easterly of Lankershim Boulevard, partly in the City of Los Angeles and partly in the unincorporated territory of the County of Los Angeles, State of California, and more particularly shown in Exhibit A, attached hereto (hereinafter referred to as the "DISTRICT PROPERTY"); and

WHEREAS, the DISTRICT and MCA, INC., a Delaware corporation (hereinafter referred to as MCA), predecessor-in-interest to LESSEE, entered into Lease No. 24688 on November 19, 1974, as amended August 7, 1980, for the purposes of setting forth the mutual understanding of the parties with respect to the constructing and maintaining by MCA of an access road over a portion of the DISTRICT PROPERTY as therein described; and

WHEREAS, Lease No. 24688 terminated on November 18, 2009, and LESSEE entered into interim Rental Agreement No. 10-14 for the continued use of the DISTRICT PROPERTY, AS therein described for access; and

WHEREAS, LESSEE and DISTRICT desire to replace interim Rental Agreement No. 10-14 with this LEASE ;

NOW THEREFORE in consideration of the covenants and conditions set forth herein, DISTRICT and LESSEE agree as follows:

ARTICLE 1. DESCRIPTION AND ACCEPTANCE OF PREMISES

A. Description

DISTRICT leases to LESSEE and LESSEE leases and hires from DISTRICT, the "PREMISES" (as hereafter described) under the terms and conditions below.

1. Initial Premises. Upon the effective date of this LEASE and continuing until the PREMISES have been reduced or the LEASE has terminated (as described below), the PREMISES shall include all of the DISTRICT PROPERTY.

2. Notice of Bikeway Plan Approval. The parties acknowledge that the County of Los Angeles intends to prepare a plan for a bikeway generally adjacent to the Los Angeles River from Griffith Park to Studio City ("**BIKEWAY PLAN**"), which shall include a bikeway on the DISTRICT PROPERTY directly adjacent to the Los Angeles River Channel wall ("**BIKEWAY**") that is to be twelve (12) feet in width . Once the BIKEWAY PLAN has been prepared and approved by the County of Los Angeles, and has been approved, as necessary, by the U.S. Army Corps of Engineers ("Corps") and/or other governmental agencies that may have regulatory jurisdiction over the BIKEWAY PLAN, DISTRICT shall send to LESSEE a written notice ("**NOTICE OF BIKEWAY PLAN APPROVAL**") notifying LESSEE of such approval(s).
3. Reduced Premises.
 - a. If (i) DISTRICT gives LESSEE the NOTICE OF BIKEWAY PLAN APPROVAL and (ii) LESSEE has not given DISTRICT a termination notice pursuant to Section 3.C.3 below, then from and after the date that is 180 days after the date of the NOTICE OF BIKEWAY PLAN APPROVAL, the PREMISES shall be reduced by the approved width of the BIKEWAY as depicted on the BIKEWAY PLAN, measured from the outside channel wall, not including the weir wall, and the PREMISES shall thereafter be the portion of the DISTRICT PROPERTY adjacent to the neighboring Universal Studios property not included in the BIKEWAY as depicted in the BIKEWAY PLAN. By way of example, Exhibit B attached hereto depicts the PREMISES (after such reduction) assuming that the width of the BIKEWAY is 12-feet.
 - b. If LESSEE has given DISTRICT a termination notice pursuant to Section 3.C.3., below, then the expiration of this Lease shall be the date set forth in LESSEE's cancellation notice pursuant to Section 3.C.3 hereof.
4. The PREMISES do not include any retaining, structural or other walls adjacent to the Los Angeles River.

B. Acceptance

LESSEE accepts the PREMISES in the condition existing as of the date this LEASE is executed by DISTRICT and LESSEE, subject to all matters of record as of the date hereof.

ARTICLE 2.
USE

A. Description

An access road for vehicular ingress and egress purposes was previously constructed on the PREMISES. Under this LEASE, LESSEE has the right to construct, reconstruct, repair, improve, maintain and operate such access road, on the PREMISES, provided that subsequent construction or reconstruction shall not be done or commenced unless permitted under Article 8 hereof; provided that the construction of the NEW UNIVERSAL ROAD (as defined in Section 8.E. below) shall be performed pursuant to Section 8.E. below. As an ancillary use of the PREMISES, LESSEE shall have the right to use the PREMISES for temporary parking and staging, in each case ancillary to construction or maintenance activities of LESSEE. LESSEE shall have the continuing right to secure the PREMISES, including, without limitation, with security guards and security booths, but subject always to DISTRICT's express access rights under this LEASE. The uses described in this paragraph shall hereinafter be referred to as the "**AUTHORIZED USES**".

LESSEE acknowledges that neither DISTRICT nor DISTRICT's agent has made any representation or warranty as to the present or future suitability of the PREMISES for LESSEE's proposed use or the conduct of LESSEE's business. LESSEE hereby further acknowledges that the access road and any improvements, including the NEW UNIVERSAL ROAD (as defined in Section 8.E. below), installed by LESSEE at the PREMISES (hereinafter referred to as the "**LESSEE IMPROVEMENTS**") are solely for the benefit and convenience of LESSEE and are not requirements by DISTRICT or of the County of Los Angeles, City of Los Angeles or any other public entity, of any nature whatsoever with the exception that the PREMISES is designated as an emergency access route for the City of Los Angeles Fire Department.

ARTICLE 3.
LEASE TERM

A. Lease

The term (the "**TERM**") of this LEASE shall be for Fifty Five (55) years, beginning on the date of the mutual execution of this LEASE by the DISTRICT and LESSEE (also referred to as the "**EFFECTIVE DATE**"), and ending on the day immediately preceding the Fifty Fifth (55th) anniversary of the EFFECTIVE DATE.

B. Option to Extend

LESSEE shall have two (2) independent and successive options to extend the TERM of this LEASE for ten (10) years each (each such extended period being herein called an "**EXTENDED TERM**") on the same terms and conditions as this LEASE, except Annual Rent, by in each instance giving written notice thereof to DISTRICT at least one hundred and eighty (180) days prior to the expiration of the then existing TERM, and upon the giving of any such notice as aforesaid (the "**EXTENSION NOTICE**") the TERM of this LEASE shall be automatically extended without any further notice or act required on behalf of either party; provided that (i) LESSEE's right to so extend the TERM in each instance shall be subject to DISTRICT'S approval, which shall not be unreasonably withheld, (ii) if DISTRICT has not notified LESSEE within thirty (30) days after LESSEE gave the applicable EXTENSION NOTICE that DISTRICT does not approve of such extension, then DISTRICT shall be deemed to have approved such extension and (iii) if DISTRICT has reasonably withheld such approval within such thirty (30) day period, then DISTRICT shall provide LESSEE with a detailed explanation as to why DISTRICT does not approve the same. For the purposes of this Section 3.B., DISTRICT shall be deemed to have unreasonably withheld consent to LESSEE's exercise of its applicable extension option if LESSEE has not committed three (3) EVENTS OF DEFAULT during the Term.

1. The initial ANNUAL RENT effective for the first twelve (12) months of an applicable EXTENDED TERM shall be the FAIR MARKET RENT (as defined below). Thereafter, such ANNUAL RENT shall be adjusted, if at all, pursuant to Section 4.B. below.
2. The ANNUAL RENT during each EXTENDED TERM shall be the rent a willing lessee and a willing lessor would agree upon under the then current market conditions for a new lease of comparable space upon comparable terms and conditions for comparable periods of time in Los Angeles County for the applicable EXTENSION TERM (the "**FAIR MARKET RENT**"), as agreed by the parties to the LEASE by no later than sixty (60) days after LESSEE has given DISTRICT the applicable EXTENSION NOTICE (the "**FINAL NOTICE EXTENSION DATE**"), or in the event the parties cannot agree, the FAIR MARKET RENT as determined by appraisers pursuant to the following procedure. In the event DISTRICT and LESSEE agree on a FAIR MARKET RENT, such agreement shall be reduced to a written form and when executed and delivered by both parties will be binding on DISTRICT and LESSEE.
3. If LESSEE has given an EXTENSION NOTICE and no agreement has been reached by the parties with respect to the FAIR MARKET

RENT by the FINAL NOTICE EXTENSION DATE, both parties shall appoint a QUALIFIED APPRAISER (as defined below) no later than the tenth (10th) business day following the FINAL NOTICE EXTENSION DATE. Each QUALIFIED APPRAISER shall arrive at a determination of FAIR MARKET RENT and submit their conclusions to DISTRICT and LESSEE within thirty (30) days after the appointment of the QUALIFIED APPRAISERS. If only one (1) appraisal is submitted within the requisite time period, it shall be deemed the FAIR MARKET RENT. If both appraisals are submitted within such time period, and if the two (2) appraisals so submitted differ by less than twenty (20%) percent of the higher of the two, the average of the two shall be the FAIR MARKET RENT. If such appraisals are twenty (20%) percent or more apart, the parties shall promptly select a third QUALIFIED APPRAISER (or if they cannot agree, a third QUALIFIED APPRAISER shall be named by JAMS). Within sixty (60) days of the selection of the third QUALIFIED APPRAISER, each QUALIFIED APPRAISER shall submit his or her appraisal of the FAIR MARKET RENT (THAT IS, THE APPRAISAL ALREADY SUBMITTED TO THE OTHER PARTY) to such third QUALIFIED APPRAISER. Within thirty (30) days after receiving such appraisals, the third QUALIFIED APPRAISER shall pick that appraisal that is closest to the FAIR MARKET VALUE in such third QUALIFIED APPRAISER's opinion and such FAIR MARKET RENT so determined shall be binding upon DISTRICT and LESSEE. In the event either party to the Lease fails to name a QUALIFIED APPRAISER when required hereunder, the FAIR MARKET RENT shall be determined by the QUALIFIED APPRAISER selected by the other party. Each party to this LEASE shall pay all fees of any QUALIFIED APPRAISER selected by it and any fees of a third QUALIFIED APPRAISER shall be shared equally by each party hereto. As used herein the term "QUALIFIED APPRAISER" shall refer to an independent appraiser (that is, an appraiser who does not, and has not within the prior three years, worked for the selecting party) licensed with the State of California, Office of Real Estate Appraisers, as a Certified General Real Estate Appraiser, having not less than ten (10) years' full-time experience appraising commercial property in the Los Angeles County area. The appraisals must comply with all laws that are applicable to the specific appraisal and the Uniform Standards of Professional Appraisal Practice (USPAP).

C. Cancellation

1. DISTRICT shall have the right to cancel this LEASE and terminate LESSEE'S use of PREMISES in the event of an EVENT OF DEFAULT, as more particularly described in Article 20, below.

2. DISTRICT shall additionally have the right to cancel this LEASE and terminate LESSEE'S use of PREMISES in order to use the PREMISES for flood control purposes in accordance with the following provisions:
 - a. The Governing Board of the DISTRICT determines that there is no other reasonable alternative to achieve such flood control purposes. The Board's determination regarding whether or not to cancel the LEASE under this Section 3.C.2 shall be made at a public meeting.
 - b. District shall ensure that at least 120 days prior to the public meeting, the Los Angeles County Department of Public ("LACDPW") Works shall give LESSEE written notice that LACDPW intends to request the Governing Board to cancel this LEASE in order to implement such flood control purposes. District shall ensure that such written notice to LESSEE by the LACDPW shall include a written explanation of the flood control purpose and shall identify, and offer LESSEE an opportunity to review, any reports and studies relating to such flood control purpose.
 - c. District shall ensure that LACDPW uses reasonable efforts to notify LESSEE as soon as is reasonably practicable that it is considering the implementation of a flood control purpose which may result in a request by LACDPW to the Governing Board to terminate the Lease for flood control purposes pursuant to this Section 3.C.2.
 - d. DISTRICT shall reasonably consider alternatives proposed by LESSEE that would achieve the DISTRICT's flood control purposes while allowing LESSEE to continue using the PREMISES pursuant to this LEASE.
 - e. If DISTRICT elects to terminate this LEASE pursuant to this Section 3.C.2. following the notice provided for in Section 3.C.2.b above and the conclusion of the public meeting provided for in Section 3.C.2.a. above, then DISTRICT shall give LESSEE a notice setting forth the termination date which shall be at least twelve (12) months after the date of such termination notice (the "**TERMINATION DATE**") and, upon such TERMINATION DATE, this Lease shall expire as if such TERMINATION DATE is the expiration date of this LEASE.
 - f. If DISTRICT terminates this LEASE under this Section 3.C.2., within the first fifteen (15) years of the TERM,

DISTRICT shall reimburse LESSEE for the reasonable and unamortized costs and expenses incurred by LESSEE in constructing the NEW UNIVERSAL ROAD (as defined below), which shall be calculated on a straight-line basis over the first (1st) fifteen (15) years of the TERM. Within sixty (60) days after LESSEE's receipt of the DISTRICT'S termination notice under this Section 3.C.2., LESSEE shall send DISTRICT a calculation of such unamortized costs and expenses and DISTRICT shall pay the same to LESSEE on or prior to, and as a condition to, such termination.

3. LESSEE's Cancellation Right. If the approved BIKEWAY as depicted in the BIKEWAY PLAN (as described in Section 1.A.2.) is greater than twelve (12) feet in width, measured from the outside channel wall not including the weir wall, for any portion thereof, then LESSEE shall have a right, within ninety (90) days after receipt of the NOTICE OF BIKEWAY PLAN APPROVAL (as described in Section 1.A.2), to terminate this LEASE by giving the DISTRICT a termination notice which states a termination date not later than eighteen (18) months after the date of the termination notice.

ARTICLE 4. RENT

For the purposes of calculating rent, the anniversary of the Effective Date shall hereinafter be referred to as the "**ANNIVERSARY DATE**". Rent is payable monthly as set forth below:

Los Angeles Flood Control District
c/o County of Los Angeles Department of Public Works
P.O. Box 7437, Alhambra, California 91802-7437
Attention: Fiscal Division.

All payments shall state the name of LESSEE and Lease No. 78251.

A. Annual Rent

For the twelve (12) month period commencing on the EFFECTIVE DATE, LESSEE shall pay DISTRICT as annual rent for the PREMISES ("**ANNUAL RENT**") an amount of One Hundred and Seventy Three Thousand Five Hundred and 00/100 Dollars (\$173,500), which sum shall be payable in equal monthly installments in advance by no later than the twelfth (12th) day of a calendar month. If the EFFECTIVE DATE is not the first (1st) date of a calendar month, then the ANNUAL RENT for the partial first and last months of the Term shall be pro-rated. The parties will

reasonably and equitably adjust the installment of ANNUAL RENT payable on the EFFECTIVE DATE for the first (1st) month of the TERM to take into account any monies paid by LESSEE to the DISTRICT under the previous lease.

B. Annual Rent Adjustments

Every Anniversary Date that this LEASE is in full force and effect, the ANNUAL RENT for the current twelve (12) month period ("**CURRENT RENT**") shall be adjusted for the next succeeding twelve (12) month period to a NEW ANNUAL RENT (defined below), which adjustment shall be dictated, subject to limitations described below, by the change in the Consumer Price Index for All Urban Consumers (base year 1982-84=100) for the Los Angeles County, California area, published by the United States Department of Labor, Bureau of Labor Statistics ("**INDEX**") as follows:

Current Annual Rent x (Current Index / Previous Index) = New Annual Rent ("**NEW ANNUAL RENT**")

In other words, subject to the limitations on annual rental increases described below, the NEW ANNUAL RENT shall be calculated by multiplying the then CURRENT RENT by a fraction ("**CPI FRACTION**"), the numerator of which shall be the INDEX for the month ending ninety (90) days prior to the upcoming Anniversary Date ("**CURRENT INDEX**") and the denominator shall be the Index for the month ending ninety (90) days prior to the previous ANNIVERSARY DATE ("**PREVIOUS INDEX**").

If the described INDEX is no longer published, another index generally recognized as authoritative shall be substituted as selected by the Chief Officer of the Bureau of Labor Statistics or its successor. If no such government index or computation is offered as a replacement, the DISTRICT and LESSEE shall mutually select a percentage for calculating future annual adjustments.

DISTRICT shall notify LESSEE, in writing (a "**RENT ADJUSTMENT NOTICE**"), thirty (30) days prior to the effective date of the rent adjustment, of the new rent, if any, but notwithstanding anything to the contrary contained herein, including but not limited to the actual CPI FRACTION, in no event shall the NEW ANNUAL RENT for any upcoming twelve (12) month period exceed the ANNUAL RENT for the previous twelve (12) month period by more than three percent (3%). Further, in no event shall ANNUAL RENT decrease for an applicable twelve month period (a "**SUBJECT PERIOD**") despite the fact that the CPI FRACTION applicable to such SUBJECT PERIOD may be less than 1 (i.e., even if the INDEX has decreased since the previous period); provided that for the twelve-month rental period subsequent to such SUBJECT PERIOD, the

PREVIOUS INDEX used to determine the NEW ANNUAL RENT for such subsequent period shall be the same PREVIOUS INDEX as was used for the SUBJECT PERIOD. *For example, if in one period, the NEW INDEX was 10 and the PREVIOUS INDEX was 20 (so that the CPI FRACTION was 1/2) then when calculating the CPI FRACTION for the next period, the PREVIOUS INDEX shall also be 20 regardless as to the actual INDEX.*

If the DISTRICT gives a RENT ADJUSTMENT NOTICE later than the ANNIVERSARY DATE to which it applies, and LESSEE has paid the ANNUAL RENT due as of such Anniversary Date at the previous ANNUAL RENT, then if such new ANNUAL RENT increased based upon the foregoing calculations, LESSEE shall pay DISTRICT the incremental amount that would have been due for such rental period within thirty (30) days of LESSEE's receipt of such notice.

C. Rent During Extended Terms

During any Extended Term, the Rent for such Extended Term (once established pursuant to Section 3.B.above) shall escalate pursuant to the terms of Section 4.B. above on each anniversary of the commencement date of such applicable Extended Term.

D. Late Payment

Any Rent payable under this LEASE by LESSEE to DISTRICT and not paid within ten (10) days of the receipt by LESSEE from DISTRICT of the written notice of delinquency shall be delinquent and subject to interest charged from the date payment is due at the rate of ten percent (10%) per annum. The interest charge shall be compounded monthly and shall be computed by applying one-twelfth (1/12) of the interest rate to the sum owing. For each month that the sum is past due, interest shall be charged on the unpaid balance plus accrued interest until such time that the amount fully owed is received by DISTRICT. The interest rate shall not exceed the then existing legal limit in California.

If it becomes necessary to bring suit for collection of Rent, or other sums herein stipulated to be paid, and the DISTRICT is successful in any such suits, LESSEE agrees to pay all reasonable attorney's fees and costs and any other reasonable collection fees incurred by DISTRICT.

E. Net Lease

Unless stated otherwise herein, it is the purpose and intent of DISTRICT and LESSEE under this LEASE that all RENT paid by LESSEE to DISTRICT shall be absolutely net to DISTRICT. All costs, expenses and obligations of all and every kind relating to the use, occupancy and maintenance of the PREMISES by LESSEE, which may be incurred and become due during or subsequent to the Term, shall be paid by LESSEE;

provided that the foregoing shall not be interpreted as (i) requiring any reimbursement to DISTRICT for DISTRICT's costs related to the PREMISES except as expressly set forth in this LEASE or (ii) requiring that LESSEE spend any amounts in connection with DISTRICT's express obligations under this LEASE.

F. Proration.

In the event of cancellation or early termination of this LEASE other than on the last day of a calendar month, prepaid Rent shall be pro-rated to reflect the actual date of tenancy during such month based upon the actual number of days in such month.

G. Reduction of Premises.

The ANNUAL RENT shall not be reduced by virtue of the reduction of the size of the PREMISES pursuant to Section 1.A.3., above.

H. Rent.

ANNUAL RENT and any other amounts payable by LESSEE to the DISTRICT hereunder shall be referred to herein as "RENT".

**ARTICLE 5.
SITE ASSESSEMENT**

LESSEE will not be required to conduct a Phase I/Phase II Site Assessment during the TERM of the LEASE.

**ARTICLE 6.
SECURITY DEPOSIT**

LESSEE will not be required to provide a Security deposit to guarantee the faithful performance of all terms, covenants, and conditions of this LEASE.

**ARTICLE 7.
RESERVATIONS**

A. Conveyance In Lieu of Condemnation

1. In the event that DISTRICT determines in good faith that the PREMISES or any portion thereof are under legitimate (actual or de facto) threat of condemnation, then, to avoid such condemnation, DISTRICT may convey an easement or other interest in the PREMISES for any use, in lieu of condemnation. For the purposes of this paragraph, a conveyance shall be deemed to be in avoidance of condemnation if: (1) the conveyance was made in

response to an offer to acquire the easement or other interest in the property by an entity with the statutory authority to condemn the easement or other interest; and (2) the governing body of the entity has adopted a resolution or taken other official action authorizing the initiation of a condemnation action to acquire the easement or other interest.

2. Upon request of DISTRICT, LESSEE shall join in any instruments necessary to affect any conveyance made pursuant to the immediately preceding paragraph.

B. Suspension of use during Emergency

DISTRICT shall have the right to temporarily suspend LESSEE'S use of the PREMISES in the event DISTRICT determines, in good faith, such suspension of LESSEE'S use is necessary in order to respond to an EMERGENCY, including, without limitation, EMERGENCY maintenance or repair activities or EMERGENCY flood control activities.

For the purposes of this LEASE, an "EMERGENCY" shall mean any situation where DISTRICT, in its reasonable judgment, concludes that a particular action is immediately necessary because (i) lives are endangered or (ii) material or substantial environmental or property damage (other than damage to LESSEE's property) will result. DISTRICT hereby confirms that the AUTHORIZED USES do not create, in and of themselves, an EMERGENCY.

In the event of an EMERGENCY, LESSEE shall bear any expenses associated with the cessation of such use, and shall have no rights or claims therefore against DISTRICT except as set forth below.

Notwithstanding anything contained herein to the contrary, if DISTRICT suspends LESSEE'S use of the PREMISES, or any portion thereof, as set forth above for three (3) consecutive days or ten (10) days in any thirty (30) day period ("Eligibility Period"), then LESSEE's Rent and other financial obligations hereunder shall be abated or reduced, as the case may be, with respect to the period commencing with the beginning of the Eligibility Period and continuing for the period that LESSEE's use of the PREMISES (or any portion thereof) continues to be suspended, in the proportion that the area of the suspended portion of the Premises bears to the total area of the Premises. However, in the event that a portion of the Premises is suspended for a period of time exceeding the Eligibility Period, and the remaining portion of the Premises is, in LESSEE's opinion, not sufficient to allow LESSEE to effectively conduct its business therein, then during the period during which LESSEE is so suspended

from effectively conducting its business therein, the Rent and other financial obligations hereunder for the entire Premises shall be so abated. In the event that, at any time during the Lease, pursuant to the terms of this Paragraph, LESSEE's Rent is reduced or abated, then Lessee shall be afforded a rent credit against rent next owing under this Lease in an amount equal to the amount of such reduction or abatement.

C. Right of Entry for Inspection, Emergencies, etc.

1. Notwithstanding any other provision in this LEASE, DISTRICT reserves the right to enter the PREMISES by its authorized personnel, employee(s), contractor(s), or agent(s) in order to inspect the PREMISES for any purposes incidental to the rights or duties of DISTRICT, and for the protection, maintenance, construction, reconstruction and operation of DISTRICT's facilities (including for (i) maintenance and repair of the Los Angeles River by DISTRICT, (ii) fire protection purposes and (iii) after the completion of the BIKEWAY, access for maintenance and repair of the BIKEWAY). Such access rights shall include the right of DISTRICT to provide access to the Corps for the above purposes. The right to inspect reserved to DISTRICT shall not obligate DISTRICT to make inspections to ascertain the condition of the PREMISES and shall not impose liability upon DISTRICT for failure to inspect. During any access to the PREMISES by DISTRICT or its authorized personnel, employee(s), contractor(s), or agent(s) (including the Corps), such party so entering upon the PREMISES must, to the extent practicable, give LESSEE reasonable prior written notice (that is, at least five (5) days in advance) as to such access and such party shall communicate with LESSEE and cooperate in good faith to minimize interference with LESSEE's operations to the extent reasonably possible; further, LESSEE shall be afforded the opportunity to accompany such party in its entry onto LESSEE's Premises.
2. Notwithstanding any other provision in this LEASE, DISTRICT shall have the right, as it reasonably deems necessary, upon the provision of telephonic notice to Mark Lyum (818-777-3099) to immediately enter and take possession of the PREMISES for the purpose of preventing sabotage or to respond to an EMERGENCY.
3. Notwithstanding Section 7.C.1. above, from and after the completion of the construction of the BIKEWAY (as defined in Section 1.A.2., above), DISTRICT's access to the Premises (as reduced) shall be provided solely at the access points shown on the Exhibit C attached hereto and made a part hereof (the "**ACCESS POINTS**"). Each of the ACCESS POINTS shall be controlled by an unmanned (or, at LESSEE's option and expense, a manned) gate

which allows access to DISTRICT (and its authorized personnel, employee(s), contractor(s), or agent(s), including the Corps).

4. Notwithstanding anything contained herein to the contrary, if DISTRICT's entry onto the PREMISES suspends LESSEE'S use of the PREMISES as set forth above for three (3) consecutive days or ten (10) days in any thirty (30) day period ("**INTERFERENCE PERIOD**"), then LESSEE's RENT and other financial obligations hereunder shall be abated or reduced, as the case may be, with respect to the period commencing with the beginning of the INTERFERENCE PERIOD and continuing for the period that LESSEE's use of the PREMISES (or any portion thereof) continues to be suspended, in the proportion that the area of the suspended portion of the PREMISES bears to the total area of the PREMISES. However, in the event that a portion of the PREMISES is suspended for a period of time exceeding the INTERFERENCE PERIOD, and the remaining portion of the PREMISES is, in LESSEE's opinion, not sufficient to allow LESSEE to effectively conduct its business therein, then during the period during which LESSEE is so suspended from effectively conducting its business therein, the rent and other financial obligations hereunder for the entire PREMISES shall be so abated. In the event that, at any time during the Lease, pursuant to the terms of this Paragraph, LESSEE's Rent is reduced or abated, then Lessee shall be afforded a rent credit against rent next owing under this Lease in an amount equal to the amount of such reduction or abatement.
5. DISTRICT will grant LESSEE reasonable access through the BIKEWAY when requested by LESSEE for maintenance and repair of the PREMISES.

ARTICLE 8.
CONSTRUCTION AND ALTERATION

A. LESSEE's Right to Construct and Alter

1. LESSEE shall have the right to construct, reconstruct, alter, remodel or remove LESSEE IMPROVEMENTS on the PREMISES. The costs of all permits, licenses, and other costs of any nature in connection with the same shall be borne by LESSEE. Notwithstanding the foregoing, LESSEE shall not construct any buildings or other permanent structures on the PREMISES, except (i) the NEW UNIVERSAL ROAD on the PREMISES (as described below), (ii) the SEPARATING INSTALLATION (including vine pockets) separating the PREMISES from the BIKEWAY (as

described below), (iii) lighting, (iv) signage, (vi) utility structures and (vii) security structures or equipment, all as approved by the DISTRICT and the Corps, if required by DISTRICT or the Corps, as provided in Section 8.A.2. below.

2. The construction, reconstruction, alteration, remodeling or removal of any LESSEE IMPROVEMENTS on the PREMISES shall not commence until final plans and specifications thereto have been submitted to and approved by DISTRICT's Chief Engineer or designee, and the Corps, as may be required by either entity, and are in accordance with the terms and conditions of this LEASE. Any such approval shall not be unreasonably withheld, delayed or conditioned, and any disapproval shall be with specificity. In accordance with Section 8.C., LESSEE shall obtain and bear costs of permits (hereinafter referred to as "PERMITS") for such work, including, without limitation, from the County of Los Angeles Department of Public Works (Public Works), and the Corps, in each of the foregoing events only to the extent required by Public Works and the Corps (to the extent that such agencies have jurisdiction thereover). Minor Repairs(s), as defined in Article 33, are exempt from the requirements of this Article.

It is understood by LESSEE that any approval by DISTRICT does not imply, confer or constitute any land-use entitlement or regulatory permit as to what is permitted and may be constructed on the PREMISES. Such entitlement(s) must be obtained by the LESSEE from the jurisdiction in which the PREMISES are located.

3. Such written approval for construction, reconstruction, remodeling, or alteration, with the exception of removal, shall not be withheld unless DISTRICT and Corps, at their respective sole but reasonable discretion, determine that the proposed construction, reconstruction, remodeling, or alteration, will interfere (other than in a de minimis fashion) with the DISTRICT's or Corps' flood control facilities or flood control operations at the PREMISES.
4. The DISTRICT understands and acknowledges that the PREMISES is presently encumbered with existing utilities (e.g., sewer, electrical, etc). The DISTRICT agrees to work with LESSEE and the applicable utility providers that provide utilities to the PREMISES (and the neighboring Universal property) to allow for access to, and maintenance of, such existing utilities including, without limitation, after the PREMISES is reduced.
5. In the event that the DISTRICT determines, in its reasonable discretion (or the Corps determines in its reasonable discretion and notifies the DISTRICT), that any improvements constructed by

LESSEE on the PREMISES (not including the NEW UNIVERSAL ROAD) interfere with the DISTRICT's and/or the Corps' abilities to inspect, construct, reconstruct, operate or maintain its flood control improvements, LESSEE shall, no later than sixty (60) days after written notice from the DISTRICT as to such removal (the "REMOVAL NOTICE"), remove or modify those interfering portions of LESSEE improvements at LESSEE's sole cost and expense. If LESSEE fails to remove or modify such improvements as set forth in such notice within such sixty (60) day period, then the DISTRICT (on behalf of itself or on behalf of the Corps) shall have the right to remove or modify such improvements. In no event shall the DISTRICT have the right to require that the NEW UNIVERSAL ROAD be removed pursuant to this paragraph. The foregoing notwithstanding, if DISTRICT (on its own behalf or on the behalf of the Corps) requires removal of any LESSEE improvements and, such removal renders the PREMISES unusable for the purposes described in Section 2.A., then LESSEE shall have the right to terminate this LEASE by giving DISTRICT notice within forty-five (45) days of receipt of the DISTRICT's REMOVAL NOTICE and which notice shall specify a termination date that is at least 60 days after the date of the notice. If such termination occurs within the first fifteen (15) years of the TERM, DISTRICT shall reimburse LESSEE for the reasonable and unamortized costs and expenses incurred by LESSEE in constructing the NEW UNIVERSAL ROAD (as defined below), which shall be calculated on a straight-line basis over the first (1st) fifteen (15) years of the TERM. Within fifteen (15) days after LESSEE has provided the DISTRICT with a termination notice under this paragraph, LESSEE shall send DISTRICT a calculation of such unamortized costs and expenses and DISTRICT shall pay the same to LESSEE not later than ninety (90) days after the termination date.

B. Approval by DISTRICT As to Compatibility

Approval by DISTRICT of plans and specifications submitted by LESSEE shall be as to compatibility with DISTRICT's facilities and shall not be interpreted or inferred as an endorsement or approval as to the design, accuracy, correctness or authenticity of the information shown thereon. LESSEE shall comply with all requirements, rules, regulations, and ordinances pertaining to the construction, reconstruction, alteration, remodeling or removal of LESSEE IMPROVEMENTS on the PREMISES.

C. Responsibility of LESSEE to Obtain Permits

In connection with the construction, reconstruction, alteration, remodeling or removal of any LESSEE IMPROVEMENTS, LESSEE shall arrange for, obtain and bear costs of all Permits, including, to the extent required by

the applicable agency issuing the permit, plan check and inspection fees, licenses, environmental impact reports, site preparation, surface treatment, relocation of any facilities, and enclosure of the PREMISES as necessary or required for health or safety in the construction, operation, and maintenance of the PREMISES as used by LESSEE. Nothing in this paragraph shall be deemed to require LESSEE to perform any work or construction at the PREMISES unless required by law and otherwise within the scope of LESSEE's obligations under this LEASE.

D. Incorporation of Permit by Reference

As a condition of this LEASE, LESSEE agrees to perform the covenants and conditions contained in any permit issued or to be issued to LESSEE by DISTRICT's Chief Engineer or his designees in connection with any LESSEE IMPROVEMENTS. In the event of any inconsistencies or ambiguities between the terms of the LEASE and any permit issued, the terms of this LEASE shall prevail. Nothing in this paragraph shall be deemed to require LESSEE to perform any work or construction at the PREMISES unless required by law and otherwise within the scope of LESSEE's obligations under this LEASE.

E. Construction of the NEW UNIVERSAL ROAD AND BIKEWAY

1. Upon the earlier to occur of (i) LESSEE's receipt of the NOTICE OF BIKEWAY PLAN APPROVAL (as described in Section 1.A.2) if LESSEE does not have the right to cancel this LEASE as a result of such notice under Section 3.C.3 of this LEASE or (ii) if LESSEE does have the right to cancel this LEASE under such Section 3.C.3, the earlier of (y) the expiration of the ninety (90) day period set forth in Section 3.C.3 or (z) such earlier date as LESSEE elects in writing to waive its right to so cancel the LEASE under such Section, LESSEE may commence construction of a road (or remodel the existing road) on the PREMISES (as reduced) to provide LESSEE with access to, and in connection with the operation of, the neighboring Universal Studios property (the "**NEW UNIVERSAL ROAD**").
2. The NEW UNIVERSAL ROAD shall be next to the BIKEWAY separated from the BIKEWAY by a fence or other installation to be installed by LESSEE, including pockets for vines, with the nature of such fence or installation (the "**SEPARATING INSTALLATION**") to be determined by LESSEE, and which shall be constructed and maintained by LESSEE on the PREMISES (as reduced).
3. The DISTRICT acknowledges that LESSEE intends to coordinate with the County of Los Angeles in the preparation of the

construction plans and scheduling for such elements of the work required to construct the NEW UNIVERSAL ROAD and BIKEWAY to the extent that the same must, or can reasonably be, coordinated and that all or certain elements of the NEW UNIVERSAL ROAD and the BIKEWAY may be constructed by a single contractor.

4. DISTRICT further acknowledges that, following completion of the NEW UNIVERSAL ROAD and BIKEWAY, LESSEE shall be solely responsible for repairs and maintenance of the PREMISES (as reduced) and the NEW UNIVERSAL ROAD and the County of Los Angeles or its assignee shall be solely responsible for repair and maintenance of the BIKEWAY.
5. The construction of the NEW UNIVERSAL ROAD shall comply with Sections A through D of this Article 8.

ARTICLE 9.
OWNERSHIP AND DISPOSITION OF LESSEE IMPROVEMENTS

A. Ownership

LESSEE IMPROVEMENTS constructed or installed on the PREMISES by LESSEE or acquired by LESSEE prior to or during the Term, as approved by DISTRICT pursuant to this LEASE, shall remain LESSEE's property during the Term.

B. Termination and Removal

1. LESSEE shall remove all of its LESSEE IMPROVEMENTS on the PREMISES constructed after the date hereof, prior to the LEASE expiring or termination, at LESSEE's sole cost and expense and restore the PREMISES to the DISTRICT's full and complete (but reasonable) satisfaction, and in compliance with Article 8 of this LEASE at the sole cost of LESSEE. To avoid confusion, in no event shall LESSEE be required to remove the current access road (or, if constructed, the NEW UNIVERSAL ROAD). At the expiration or sooner termination of the Term, DISTRICT shall cooperate with reasonable requests by LESSEE to resolve any potential encroachment issues.
2. Should DISTRICT, at its sole discretion, decide that LESSEE need not remove all or any part of the LESSEE IMPROVEMENTS, DISTRICT shall notify LESSEE in writing that it may leave some or all of the LESSEE IMPROVEMENTS as is.

**ARTICLE 10.
SURETY BONDS**

LESSEE will not be required to provide any Surety Bonds.

**ARTICLE 11.
REPAIRS AND MAINTENANCE**

A. LESSEE/DISTRICT Responsible for Repairs and Maintenance

1. LESSEE, at its sole cost and expense, shall maintain the PREMISES, all LESSEE IMPROVEMENTS, and the current access road (or, if constructed, the NEW UNIVERSAL ROAD) (which shall be deemed a LESSEE IMPROVEMENT) in the same repair as the same are currently in (reasonable wear and tear, and damage not required to be repaired, excepted) and in compliance with all requirements of law. In addition, LESSEE shall not commit waste or misuse upon the PREMISES. DISTRICT, not LESSEE, shall be responsible for repairing and maintaining all DISTRICT IMPROVEMENTS (as defined below) except for damages caused by LESSEE's waste or misuse (or the waste or misuse of LESSEE's employees, contractors, agents, invitees or licensees). Notwithstanding the foregoing, LESSEE shall not interfere with or affect the DISTRICT's improvements or facilities that are located at, under or nearby the PREMISES (hereinafter collectively referred to as the "**DISTRICT IMPROVEMENTS**"); provided that the DISTRICT acknowledges that some of such improvements or facilities may need to be relocated in connection with the construction of the NEW UNIVERSAL ROAD.
2. LESSEE shall be responsible for any damage to DISTRICT IMPROVEMENTS caused by the negligence or willful misconduct of LESSEE or LESSEE's employees, contractors, agents, invitees or licensees.
3. Notwithstanding the above, DISTRICT shall not be obligated to make any repairs, alterations, additions or Improvements in, on or to PREMISES or in, on or to any structure or other LESSEE IMPROVEMENTS hereinafter erected or installed thereon by LESSEE, whether structural or nonstructural, ordinary or extraordinary, foreseen or unforeseen; provided that (i) DISTRICT shall be responsible for any damage caused to the LESSEE IMPROVEMENTS caused by DISTRICT or its employees, contractors, agents, invitees or licensees and (ii) DISTRICT shall repair and maintain (or cause third parties to repair and maintain) the DISTRICT IMPROVEMENTS.

B. Emergency Conditions

In the event of an EMERGENCY, as defined in Section 7.B., affecting LESSEE's use or occupancy of the PREMISES, to the extent such EMERGENCY was caused by LESSEE, LESSEE shall take all steps necessary to abate the Emergency. LESSEE agrees that if work is done in connection with an EMERGENCY, LESSEE shall within seven (7) days from the occurrence of the EMERGENCY, request approval in writing from DISTRICT for the work performed as required herein; provided that such prior notice and approval shall not be necessary if first class property management and/or construction standards reasonably require that immediate work be performed to mitigate or abate the conditions arising due to the EMERGENCY; provided that in such instance LESSEE thereafter shall promptly notify DISTRICT as to such immediate work performed.

C. Approvals by DISTRICT

For all repairs, LESSEE shall comply with each and every condition of Article 8, except for Minor Repairs as defined in Article 33, which shall conform with local building codes. DISTRICT's Chief Engineer or designee may release LESSEE from any such condition only upon prior written Request for Release from Construction Conditions setting forth each and every condition from which LESSEE seeks release.

**ARTICLE 12.
TAXES AND ASSESSMENTS**

A. Payment of Taxes

1. This LEASE creates a possessory interest, which may be subject to a property tax levy. LESSEE shall pay any property tax levied on such interest in the PREMISES.
2. LESSEE shall also pay any taxes, assessments or fees levied on the PREMISES, but only that portion of any such taxes, assessments or fees, that would not have been levied on the PREMISES but for LESSEE's use of the PREMISES pursuant to this LEASE.
3. LESSEE shall also have sole responsibility to pay promptly without abatement, deduction, or offset, any personal property taxes, rental and excise taxes, business and occupation taxes and any other

taxes, fees or charges levied or assessed upon LESSEE's operations on or use of the PREMIES by any governmental entity. In no event shall LESSEE have any obligation to pay any taxes or assessments under this Article 12 to the extent the same are allocable to (or increased due to) any DISTRICT IMPROVEMENTS or any use of the BIKEWAY.

4. The taxes, assessments, fees and other charges required to be paid by LESSEE pursuant to paragraphs 1 through 3, above shall hereinafter collectively be referred to as "**TAXES**". If notice of any TAXES is received by DISTRICT from a governmental agency or any other persons or entity, DISTRICT shall communicate such notice to LESSEE; however, DISTRICT's failure to communicate such notice shall not impose liability on DISTRICT or excuse LESSEE from payment of the TAXES, but DISTRICT shall reimburse LESSEE for any penalties for late payment assessed as a result of DISTRICT's failure to so notify LESSEE.
5. Notwithstanding any of the foregoing, it is expressly agreed that LESSEE shall not be required to pay or discharge any TAXES so long as it shall in good faith contest the same, or the validity thereof, by appropriate legal proceedings which shall operate to prevent the collection of the TAXES and the sale of the PREMISES or any part thereof to satisfy the same, but that pending any such legal proceeding DISTRICT shall have the right to pay, discharge or remove the TAXES thereby contested only where required by law. Any proceeding or proceedings for contesting the validity or amount or to recover back any TAXES, may be brought by either party, or both, as may be necessary or appropriate, and each of the parties hereto agrees that it shall cooperate with the other in any such proceeding to such extent as such other party may reasonably request; it being understood, however, that if any such proceeding be brought by LESSEE, LESSEE shall indemnify, defend and save harmless DISTRICT against any and all loss, cost or expense of any kind that may be imposed upon DISTRICT in connection therewith. LESSEE shall be entitled to any refund of any such TAXES and penalties or interest thereon which have been paid by LESSEE. The term "proceedings" as used herein shall include appeals to any superior or appellate court or body having or claiming jurisdiction over the PREMISES.

B. Failure to pay Taxes

In the event LESSEE fails to pay any TAXES within thirty (30) days after the later of (i) the due date or (ii) receipt from DISTRICT of written notice of such delinquency, then unless such TAXES are being properly contested by LESSEE, as described in Article 12, Paragraph (A)(5),

above, DISTRICT may, at its option, pay any and all such sums together with all penalties and interest added thereto by reason of any such delinquency or default, and may, if applicable, redeem the PREMISES or any part thereof, from any tax sale or sales. Any such sums so paid by DISTRICT shall be reimbursed to DISTRICT by LESSEE within thirty (30) days of written notice to LESSEE from DISTRICT, together with interest at the rate of ten percent (10%) per annum, but not to exceed the then existing legal limit in California as of the date of demand by DISTRICT, and such interest shall be compounded on a monthly basis until the amount owed to DISTRICT is paid in full.

C. Commencement and Expiration

All taxes and assessments against the PREMISES during the first and last years of this LEASE shall be prorated between DISTRICT and LESSEE based upon the actual number of days contained in the first and last year that fall within the applicable tax year. LESSEE shall have no obligation for payment of installments of taxes on assessments that become due before the commencement of the Term of this LEASE or that may be assessed after the expiration or sooner termination of the Term.

**ARTICLE 13.
LIENS AND CLAIMS**

- A.** LESSEE agrees to keep the PREMISES and the LESSEE IMPROVEMENTS hereinafter constructed or placed thereon, and every part hereof, and any and every estate, right, title, and interest therein, at all times during the TERM of this LEASE, free and clear of mechanic's liens and other liens for labor, service, supplies, equipment and materials arising from or relating to any work performed by or for LESSEE on the PREMISES (hereinafter referred to as "LIENS").
- B.** LESSEE will at all times fully pay and discharge and wholly protect, defend and hold harmless DISTRICT and all and every part of the estate, right, title, and interest of DISTRICT in and to all and every part of the PREMISES against; (a) any and all demands or claims which may or could become a LIEN, (b) all attorney's fees and costs; and; (c) any and all expenses, damages, or outlays which may or might be incurred by DISTRICT or LESSEE by reason of, or on account of any LIEN or the assertion thereof, except in all cases to the extent caused by DISTRICT or in connection with DISTRICT IMPROVEMENTS (including but not limited to the Bikeway) or the use of, or access to, the PREMISES by third parties permitted onto the PREMISES by DISTRICT pursuant to the provisions of this LEASE.

- C. If any LIEN shall be filed, or if any suit, action or proceeding shall be commenced, affecting the PREMISES or LESSEE IMPROVEMENTS thereon, LESSEE shall promptly, upon obtaining information thereof, give notice in writing to DISTRICT.
- D. Should LESSEE allow a final judgment of foreclosure of any LIEN or any other judgment arising out of any claim or demand in connection with any LESSEE IMPROVEMENTS made upon the PREMISES to remain unsatisfied for more than a period of ten (10) days, DISTRICT may, at its option, pay any and all such claims or demands. LESSEE covenants and agrees to reimburse DISTRICT, except in all cases to the extent caused by DISTRICT, all such sums incurred or expended by DISTRICT, including all reasonable attorney's fees, with the maximum interest allowed by law (but in no event to exceed 10%) on the total amount incurred or expended by DISTRICT from the date DISTRICT incurred or expended costs, until such time that the amount fully owed is received by DISTRICT.
- E. DISTRICT shall have the right to post, record, and maintain on the PREMISES such Notices of Nonresponsibility as provided for under the laws of the State of California.
- F. Notwithstanding anything to the contrary herein contained, if LESSEE shall contest the validity of any lien, claim or demand, then LESSEE shall, at its expense, defend itself and DISTRICT against the same and shall pay and satisfy any final adverse judgment that may be rendered therein before enforcement thereof against DISTRICT or the PREMISES.
- G. LESSEE shall name DISTRICT as additional obligee under any surety bond furnished in the contested proceedings.

ARTICLE 14.
INDEMNITY AND INSURANCE

A. Indemnity

- 1. LESSEE agrees to indemnify, defend and hold harmless DISTRICT and County, its governing board, officers, employees, engineers, contractors, or agents against any claims, including claims made by third parties for injuries to, or loss or death of, persons or damage to property arising from the construction, reconstruction, maintenance, operation or removal of any LESSEE IMPROVEMENTS constructed or maintained by LESSEE on or under the PREMISES or use of the PREMISES by LESSEE; provided that LESSEE shall have no obligation to indemnify DISTRICT for any matter to the extent caused by a breach of this

LEASE by DISTRICT, the active negligence or willful misconduct of DISTRICT or any matters caused by the use of, or access to, the PREMISES by third parties permitted onto the PREMISES by DISTRICT pursuant to the provisions of this LEASE.

2. DISTRICT and County shall not be liable for any loss occurring to the operation of the PREMISES; any injury, loss, death to any person whomsoever; any damage or destruction to the PREMISES, at any time, to the extent occasioned by or arising out of; (a) any act, activity or omission of LESSEE or anyone holding under LESSEE, or; (b) the occupancy or use of the PREMISES or any part thereof, by or under LESSEE, or; (c) any state or condition of the PREMISES or any part thereof, except in each instance to the extent caused by (i) a breach of this LEASE by DISTRICT, (ii) the active negligence or willful misconduct of DISTRICT and/or County and or (iii) the use of, or access to, the PREMISES by third parties permitted onto the PREMISES by DISTRICT pursuant to the provisions of this LEASE.
3. LESSEE releases DISTRICT and County and waives all right to damages for any loss, costs, or expenses LESSEE may sustain as a result of damage to or destruction of LESSEE's IMPROVEMENTS located on the PREMISES, except to the extent caused by (i) a breach of this LEASE by DISTRICT, (ii) the negligence or willful misconduct of DISTRICT and/or the use of, or access to, the PREMISES by third parties permitted onto the PREMISES by DISTRICT pursuant to the provisions of this LEASE.

B. Insurance

Without limiting the LESSEE's indemnification of the DISTRICT or County during the TERM of this LEASE as set forth in this LEASE, and until all of its obligations pursuant to this LEASE have been met, LESSEE shall provide and maintain at its own expense insurance coverage satisfying the requirements in this LEASE. These minimum insurance coverage terms types and limits (the "**REQUIRED INSURANCE**") also are in addition to and separate from any other contractual obligation imposed upon LESSEE pursuant to this LEASE. The DISTRICT and County in no way warrants that the REQUIRED INSURANCE is sufficient to protect the LESSEE for liabilities, which may arise from or relate to this LEASE.

As of the EFFECTIVE DATE of this LEASE and during the entire Term hereof, LESSEE shall pay all premiums required to maintain and keep in force the following insurance coverage herein, with insurance carrier(s) reasonably acceptable to DISTRICT.

1. Commercial General Liability Insurance. LESSEE shall procure such policy with coverage of not less than Five Million Dollars (\$5,000,000) combined single limit for third party liability and One Million Dollars (\$1,000,000) per occurrence.
2. Automobile Liability Insurance: LESSEE shall procure such policy with coverage of not less than One Million Dollars (\$1,000,000) per accident.
3. Other Insurance Requirements:
 - a. LESSEE shall name the Los Angeles County Flood Control District and the County of Los Angeles, its governing board, officers, and employees as additional insured on each and every policy of insurance procured by LESSEE as required herein.
 - b. LESSEE shall deliver to DISTRICT, within ten (10) days prior to the Effective Date, certificates of insurance evidencing the policies procured by LESSEE required hereof.
 - c. LESSEE shall furnish DISTRICT, thirty (30) days prior to each anniversary of the Effective Date, Certificates of all insurance policies required herein, as proof that they are in full force and effect, and the limits thereof.
 - d. LESSEE shall pay any and all premiums or other expenses arising in connection with the furnishing of the insurance.
 - e. LESSEE shall provide DISTRICT with, or LESSEE's insurance policies shall contain a provision that DISTRICT shall receive, written notice of cancellation or any change in required insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to DISTRICT at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any material change in required insurance such that such insurance no longer satisfies the minimum requirements set forth in this Lease may constitute a material breach of the LEASE, in the sole discretion of the DISTRICT, upon which the DISTRICT may suspend or terminate this LEASE.
 - f. On or before ten (10) days prior to the expiration of any insurance policy, LESSEE will deliver to DISTRICT either written notice in the form of a receipt or other similar document from the applicable insurance company that said

policy or policies have been renewed, or a copy of a certificate of insurance evidencing the policy from another responsible and solvent insurance company acceptable to DISTRICT for such coverage.

- g. The policies required herein are primary and non-contributing with any insurance that may be carried by DISTRICT.
- h. LESSEE shall, at all times prior to a loss thereon, be entitled to surrender any insurance policy or policies of fire or extended coverage insurance and to receive the allowable rebate of unearned premiums thereon; however, the LESSEE first shall substitute an acceptable policy(s) for an equal amount of coverage.
- i. At any time during the Term, should DISTRICT require any other reasonable types of insurance policies, LESSEE shall conform with DISTRICT's requirement to the extent commercially practicable.
- j. LESSEE shall be entitled to satisfy any or all above insurance requirements using a combination of primary and umbrella or excess insurance policies.

4. Use of Funds for Repair and Restoration

DISTRICT shall, at LESSEE's sole cost and expense, cooperate fully with LESSEE to obtain the largest possible recovery following any damage or loss due to an incident covered by insurance. If LESSEE IMPROVEMENTS are destroyed by a casualty, then LESSEE shall have the right, but not the obligation, to rebuild the same using its own insurance proceeds or other LESSEE funds. Alternatively, LESSEE shall have the right to terminate this Lease pursuant to Section 14.C below.

5. Right of DISTRICT to Insure

Subject to Section 14.B.3.i., above, if for any reason LESSEE shall neglect or fail to insure or cause to insure and keep insured the LESSEE IMPROVEMENTS on the Premises as required by this LEASE, or to pay the premiums therefore, DISTRICT may at its option, procure or renew such insurance and pay the premiums thereon.

Any amount paid pursuant to the foregoing sentence for insurance by DISTRICT shall become immediately due and payable by

LESSEE to DISTRICT. The premiums paid by DISTRICT shall accrue interest at ten percent (10%) per annum, but not to exceed the then legal rate in California, from the date the premium is paid by DISTRICT. The interest charge shall be the maximum allowed by law (but in no event to exceed 10%), but not to exceed the then existing legal limit in California. For each month that the sum is past due, interest shall be charged on the unpaid balance plus accrued interest, until the amount fully owed is received by DISTRICT.

DISTRICT is not required to carry any public liability, public damage or extended coverage insurance on any Improvements on the Premises.

C. Insured or Uninsured Casualty

An uninsured casualty is a loss for which insurance is not required under this LEASE. At any time during the Term, should destruction or damage occur to all or any part of the PREMISES, LESSEE'S IMPROVEMENTS or DISTRICT IMPROVEMENTS caused by an insured or uninsured casualty, and should LESSEE and/or the DISTRICT elect not to rebuild their respective property, then such party shall notify the other party within sixty (60) days of such damage or destruction that it does not intend to rebuild the same, in which case LESSEE shall have the right to terminate this LEASE by giving DISTRICT thirty (30) days written notice, within forty five (45) days after receipt of such notice. Should LESSEE terminate this LEASE, LESSEE shall, at its own expense, and at DISTRICT's sole discretion, remove the LESSEE IMPROVEMENTS constructed after the date hereof from the PREMISES (excluding the NEW UNIVERSAL ROAD and the SEPARATING INSTALLATION) to DISTRICT's reasonable satisfaction in accordance with Article 9.

D. Effect of Destruction

Destruction of any of LESSEE'S IMPROVEMENTS upon the PREMISES shall not effect an abatement or reduction in rent.

**ARTICLE 15.
ASSIGNMENT AND SUBLETTING**

Except with respect to a PERMITTED TRANSFER (defined below), LESSEE shall not assign this LEASE or any interest herein or the LESSEE IMPROVEMENT(S) on the PREMISES or any part thereof or any right or privilege appurtenant thereto without the prior written approval of the DISTRICT'S Chief Engineer or designee, which approval shall not be unreasonably withheld, conditioned or delayed.

A. Conditions for Assignment of Leasehold

The legal classification of LESSEE as of the EFFECTIVE DATE is a Delaware limited liability company. Except with respect to a PERMITTED TRANSFER (defined below), any change in control of LESSEE shall be deemed an assignment prohibited by this Article, unless the prior written consent of DISTRICT is obtained, which consent shall not be unreasonably withheld, delayed or conditioned.

Notwithstanding anything to the contrary contained in this LEASE, any assignment, transfer or corporate reorganization, change in legal classification or corporate entity, merger or consolidation which results in an assignee or surviving entity that, directly or indirectly, controls, is controlled by, or is under common control with NBCUNIVERSAL Media, LLC, a Delaware limited liability company, shall be a permitted assignment or transfer and shall not require DISTRICT's prior approval. In addition, LESSEE shall have the right to assign this LEASE to any transferee of all or any portion of what is commonly known as the Universal Studios real property located in Universal City, California. Any transaction permitted by this Paragraph shall be referred to as a "**PERMITTED TRANSFER.**"

B. Procedure for Assignment

Except with respect to a PERMITTED TRANSFER, LESSEE shall not assign this LEASE, or any interest herein, the PREMISES, or any part hereof, or any right or privilege appurtenant thereto, without first obtaining the written approval of DISTRICT'S Chief Engineer or designee, which approval shall not be unreasonably withheld, conditioned or delayed. Any approved assignee must agree in writing to be bound by the covenants, conditions, and agreements contained herein, and a copy of any such agreement shall be furnished to DISTRICT prior to the effective date of any assignment. DISTRICT's consent to one assignment shall not be consent to any subsequent assignment, by another party. Any unauthorized assignment shall be voidable and shall terminate this LEASE at DISTRICT's option. The charge to process an approved assignment shall be Twenty-Five Hundred Dollars (\$2,500); provided that no such charge shall apply to a PERMITTED TRANSFER. In the event of attachment, garnishment, or execution against LESSEE, or voluntary or involuntary bankruptcy proceedings, or insolvency or receivership taken or against LESSEE, neither this LEASE nor any interest herein shall be assignable or transferable. Possession of the whole or any part of the PREMISES shall not be divested from LESSEE in such proceedings without the written consent of DISTRICT. Any breach of the provisions of the Article, that is not cured, within thirty (30) days after notice of such breach from DISTRICT to LESSEE, shall cause this LEASE to terminate immediately at the option of the DISTRICT. DISTRICT shall respond in writing within thirty (30) days to any written request from LESSEE for

consent to a transfer of this LEASE, and any denial of such consent shall be made with specificity. DISTRICT's failure to respond to such request within such thirty (30) days, followed by DISTRICT's failure to respond to a second request within an additional fifteen (15) day period, provided that such second request reminds DISTRICT that the continued failure to respond shall be deemed DISTRICT's consent to such request, shall in fact constitute DISTRICT's consent to such request.

C. Subletting

LESSEE shall not have the right to sublease any portion of the PREMISES or its LESSEE IMPROVEMENTS thereon. Notwithstanding the foregoing, LESSEE shall have the right to sublease all or any portion of the PREMISES to a party that would be a permitted assignee under a PERMITTED TRANSFER.

**ARTICLE 16.
NO SUBORDINATION**

DISTRICT shall not subordinate its fee interest in the PREMISES to any lien or encumbrance (including any mortgage or deed of trust or similar instrument evidencing a loan and/or containing a power of foreclosure) created by LESSEE or any other party.

**ARTICLE 17.
RIGHT TO HYPOTHECATE LEASEHOLD**

LESSEE shall have no right to hypothecate this LEASE or any interest thereof.

**ARTICLE 18.
BANKRUPTCY OR INSOLVENCY**

A. Breach

LESSEE shall be deemed to have repudiated its obligations and to have breached this LEASE if, during the TERM of this LEASE either of the following occurs:

1. A petition to have LESSEE adjudged bankrupt or a petition for reorganization, arrangement or relief under the Bankruptcy Act as now in force or hereafter amended, is filed by or against LESSEE, and if so filed against LESSEE, is not dismissed within ninety (90) days from the date of such filing or;
2. In any judicial action or proceeding pursuant to any composition of creditors, a receiver or other officer or agent (including LESSEE as a debtor in possession) is appointed to take charge of the

PREMISES or the business conducted therein, and not removed within ninety (90) days of the occurrence.

B. Lease Termination

LESSEE expressly agrees that DISTRICT may at its election terminate this LEASE in the event of the occurrence of either of the events described in Sections 18.A.1. and/or 18.A.2. above by giving not less than thirty (30) days' notice to LESSEE, and when so terminated, DISTRICT may reenter the PREMISES and relet to another.

**ARTICLE 19.
CONDEMNATION**

A. Compensation

In the event that the PREMISES, or any portion thereof, is taken for public use, DISTRICT shall be entitled to all compensation paid or awarded in connection with such taking, except that LESSEE shall be entitled to any portion of the compensation attributable to the loss of business goodwill of LESSEE and for Lessee's loss of the use of the access road.

B. Termination

In the event that the PREMISES, or any portion thereof, is taken for public use, Code of Civil Procedure Sections 1265.110 through 1265.140, inclusive, shall govern whether, or the extent to which, this LEASE is terminated.

C. Temporary Take

1. If the use or occupancy of all or any part of the PREMISES shall be temporarily requisitioned by any governmental authority, civil or military, this LEASE shall continue in full force and effect. In such case, DISTRICT shall be entitled to all compensation paid or awarded in connection with such temporary taking, except that LESSEE shall be entitled to any portion of the compensation attributable to the loss of business goodwill of LESSEE and for LESSEE's temporary loss of the use of the access road.
2. In the event of such temporary requisition, there shall be an equitable abatement of Rent, to be reasonably determined by DISTRICT.

D. Applicability of Article

This Article shall apply only to condemnation or other proceedings or sales in avoidance of condemnation which are instituted by a public agency other than DISTRICT.

**ARTICLE 20.
DEFAULT**

Any and all of the following actions shall constitute an event of default under this LEASE on the part of LESSEE (hereinafter referred to as an “**EVENT OF DEFAULT**”):

1. Failure to pay any installment of ANNUAL RENT when due and continuation of such failure to pay for five (5) business days after written demand by DISTRICT.
2. Failure to pay any other monies due DISTRICT under this LEASE within fifteen (15) business days after receipt of written notice by LESSEE (unless a longer time period is provided herein).
3. Failure to pay any insurance premiums, liens, claims, demands, judgments, or other charges when due for which LESSEE is responsible under this LEASE and continuation of such failure to pay for ten (10) business days after written demand by DISTRICT.
4. LESSEE maintaining, committing or permitting the maintenance or commission of a nuisance upon the PREMISES or using the same for an unlawful purpose and continuation of such offending use for fifteen (15) business days after written demand by DISTRICT.
5. Abandonment of the PREMISES for a continuous period of thirty (30) days or more;
6. Failure to repair or maintain the PREMISES as provided in this LEASE and continuation of such failure for fifteen (15) business days after written demand by DISTRICT; or, if not reasonably susceptible of cure within such fifteen (15) business day period, failure to commence such cure during such time and thereafter diligently prosecute such cure to completion.
7. Failure to perform or a breach of any other covenant, condition or restriction provided in this LEASE, which failure or breach is not cured within thirty (30) days after written notice from DISTRICT; provided that if such failure or breach cannot be reasonably cured within such thirty (30) day period, LESSEE shall have such additional reasonable period of time to cure the same so long as

LESSEE has commenced the cure thereof during such thirty (30) day period and is diligently pursuing the cure thereof.

8. The presence, use, storage or disposal of any hazardous substance on or about the PREMISES in violation of the provisions of this LEASE and caused by LESSEE and continuation of such failure for thirty (30) business days after written demand by DISTRICT.

ARTICLE 21.
REMEDIES FOR DEFAULT

A. DISTRICT Rights Arising from LESSEE Default

In addition to any other remedies available by law, DISTRICT shall have the non-exclusive right, at its sole election, to pursue any or all of the following remedies in the event of an EVENT OF DEFAULT by LESSEE:

1. To terminate this LEASE upon thirty (30) days written notice, and to enter into and upon the PREMISES and take possession of the same. Upon termination of this LEASE, in addition to any other remedies DISTRICT may have at law, in equity or under this LEASE, DISTRICT may recover without limitation, any unpaid rent and charges equivalent to rent having accrued, all actual costs associated with recovering and/or reletting the PREMISES, all actual costs associated with performing LESSEE's obligations hereunder, and the worth at the time of such termination of all rent and charges equivalent to rent lost over the remainder of the Term of this LEASE (with deduction for rent which LESSEE demonstrates should reasonably be obtained from others), plus interest at the maximum allowed by law, but not to exceed the then existing legal limit in California but in no event to exceed ten percent (10%) per annum.

B. Rent Due and Rights Not Waived In Event of Default

1. Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or others as provided by law, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any Rent due to DISTRICT hereunder or of any damages accruing to DISTRICT by reason of the violation of any of the terms, provisions and covenants herein contained.
2. Forbearance by DISTRICT to enforce one or more of the remedies herein provided upon an event of default shall not be deemed or

construed to constitute a waiver of any of DISTRICT's rights hereunder.

3. Nothing contained in this LEASE shall entitle DISTRICT or LESSEE to consequential, punitive, special or indirect damages or lost profits.

ARTICLE 22.
SALE OF THE PREMISES BY DISTRICT

In the event of a sale or transfer of the PREMISES by DISTRICT, DISTRICT shall be entirely freed and relieved of all liability under any and all of its covenants and unaccrued obligations contained in or derived from this LEASE arising out of any act, occurrence or omission after the consummation of such sale, provided that the purchaser at such sale, shall in writing covenant to and with LESSEE to carry out any and all of the covenants and obligations of DISTRICT under this LEASE.

ARTICLE 23.
HAZARDOUS SUBSTANCES

A. Definition

For purposes of this LEASE, the term hazardous substances shall be deemed to include:

1. Hazardous, toxic or radioactive substances as defined in California Health and Safety Code Section 25316 as amended from time to time, or the same or a related defined term in any successor or companion statutes, crude oil or byproducts of crude oil other than which exists on the property as a natural formation, and those chemicals and substances identified pursuant to Health and Safety Code Section 25249.8;
2. Substances which require investigation or remediation under any federal, state or local statute, regulation, ordinance, order, policy or common law;
3. That which is or becomes defined as hazardous waste, hazardous substances, pollutant or contaminant under any federal, state or local statute, regulation, ordinance or amendment thereto, including without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and/or the Resource Conservation and Recovery Act (RCRA);

4. That which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or likewise hazardous and is or may become regulated by any governmental authority, agency, department, commission, board of instrumentality of the United States, the State of California or any political subdivision thereof (but only to the extent such substances are, or become limited by law, and then only the extent to which the amounts of such substances exceed legally permissible amounts);
5. Substances, present on or about the PREMISES which cause or threaten to cause a nuisance thereupon or to adjacent properties or pose or threaten to pose a hazard to the health or safety of persons on or about such property;
6. Without limitation, substances containing gasoline, diesel fuel or other petroleum hydrocarbon (but only to the extent such substances are limited by law, and then only the extent to which the amounts of such substances exceed legally permissible amounts);
7. Without limitation, substances containing polychlorinated biphenols (PCBs), asbestos or urea formaldehyde foam insulation (but only to the extent such substances are limited by law, and then only the extent to which the amounts of such substances exceed legally permissible amounts).

B. Warranties and Representations

1. LESSEE hereby covenants that it will not cause or allow to be caused the presence, use, storage or disposal of any hazardous substances on or about the PREMISES, except for such hazardous substances as are normally and customarily utilized in connection with the AUTHORIZED USES.
2. LESSEE hereby covenants that it shall comply with all federal, state, DISTRICT and local laws and regulations concerning LESSEE's use, release, storage and disposal of hazardous substances on the PREMISES.

C. Notice

LESSEE agrees to immediately notify DISTRICT when LESSEE becomes aware that hazardous substances (to the extent in excess of legally permissible amounts) have been released on the PREMISES.

D. Damage/Spillage

1. In the event of spillage, leakage, or escape (release) of any hazardous substances (to the extent in excess of legally permissible amounts) onto the PREMISES by LESSEE or any LESSEE'S PARTIES (as defined below), LESSEE shall (i) immediately notify DISTRICT at (800) 675-4357 or (800) 675-HELP, (ii) make necessary repairs and erect necessary restraints and impoundments to prevent discharge into any property, channel, ocean drainage system or underground reservoirs, and (iii) promptly remove any and all hazardous substances that may have leaked, spilled or escaped and restore the PREMISES and all other affected properties and/or facilities to their former condition or equivalent, to the DISTRICT's full and complete reasonable satisfaction.
2. LESSEE further agrees that no pollutants or water carried pollutants may be used to pressure test a pipeline, or to be discharged into DISTRICT's property, channel, underground reservoir, drainage system or the ocean by or for LESSEE unless the LESSEE receives written approval by DISTRICT. In the event such pollutants are inadvertently discharged into any such system, LESSEE shall immediately notify DISTRICT by telephone and take the appropriate action to prevent further such discharge.
3. In addition to removing any hazardous substances (to the extent in excess of legally permissible amounts) that are released onto the PREMISES by LESSEE or any of LESSEE's employees, agents, customers or invitees (hereinafter referred to as "**LESSEE'S PARTIES**"), LESSEE shall be liable for and reimburse DISTRICT for any and all costs and expenses that DISTRICT may incur or suffer by reason of the escape of such substances. Such responsibility shall include costs or expenses as DISTRICT may incur by reason of federal, state, DISTRICT's, local or other authoritative agency's laws and regulations.

E. Indemnity

Notwithstanding any other provision in this LEASE, LESSEE agrees to indemnify, defend and save harmless DISTRICT, from and against all liability, expenses (including defense costs, legal fees, and response costs) and claims for damages of any nature whatsoever which arise out of the presence or release of hazardous substances (to the extent in excess of legally permissible amounts) on or from the PREMISES, which is caused by LESSEE or any of LESSEE'S PARTIES. Notwithstanding any other provision in this LEASE, DISTRICT agrees to indemnify, defend and save harmless LESSEE, from and against all liability, expenses (including defense costs, legal fees, and response costs) and claims for damages of any nature whatsoever which arise out of the presence or

release of hazardous substances on or from the PREMISES, which is caused by DISTRICT, any of DISTRICT'S employees, agents, customers or invitees or the use of, or access to, the PREMISES by third parties permitted onto the PREMISES by DISTRICT pursuant to the provisions of this LEASE. In the event that hazardous substances (to the extent in excess of legally permissible amounts) are released by DISTRICT, DISTRICT shall remediate the release as required by Federal, State or local laws.

F. Default

The release of hazardous substances on the PREMISES and failure to remediate same in violation of this Article 23 shall constitute an event of default as defined in Article 20. Default and shall be subject to the remedies set forth in Article 21.

G. Survival

The provisions, warranties and representations set forth in this Article shall survive the termination of this LEASE without limiting the survival of any other provisions of this LEASE.

**ARTICLE 24.
ESTOPPEL CERTIFICATES**

DISTRICT and LESSEE shall, respectively, within thirty (30) days after receipt of written request by the other, deliver to the requesting party an executed and acknowledged written statement referred to as an Estoppel Certificate, certifying that (1) this LEASE is unmodified and in full force and effect (or if there has been any modification(s) thereof that the same is in full force and effect as modified, and stating the nature of the modification or modifications), (2) to its knowledge the requesting party is not in default under this LEASE (or if any such default exists, the specific nature and extent thereof), and (3) any date(s) to which Rent and other charges have been paid in advance. Each certificate delivered pursuant to this Article may be relied upon by any prospective purchaser or transferee of the PREMISES or of DISTRICT's or LESSEE's interest hereunder or by any fee or leasehold mortgagee of the PREMISES or of DISTRICT's or LESSEE's interest hereunder or by any assignee of any such mortgage.

**ARTICLE 25.
EXCUSABLE DELAYS**

If either Party is delayed, prevented or hindered from the performance of any covenant or condition of this LEASE due to acts of the other party, acts of God, action of the elements, war, invasion, insurrection, acts of a public enemy, riot, mob violence, civil commotion, sabotage, labor disputes, laws, moratoriums, financial inability excepted,

such performance shall be excused for the period of the delay (and the period for such performance shall be extended for a period equivalent to the period of such delay). Nothing herein, however, shall excuse LESSEE from the obligation to pay Rent hereunder.

ARTICLE 26.
NON DISCRIMINATION

A. Use of The Premises

LESSEE doing business with any person, club, business, contractor or organization involved on the PREMISES, agrees that in the use of the PREMISES, persons or prospective persons shall not be denied or selected because of race, religion, ancestry, national origin or sex, and shall comply with all Federal and State laws prohibiting discrimination including, but not limited to, the Federal Civil Rights Act of 1964; the Unruh Civil Rights Act; the Cartwright Act; and the State Fair Employment Practices Act.

B. Employees

LESSEE agrees that all persons employed thereby shall be treated equally without regard to or because of race, religion, ancestry, national origin or sex, and in compliance with all Federal and State laws prohibiting discrimination in employment, including, but not limited to, the Federal Civil Rights Act of 1964; the Unruh Civil Rights Act; the Cartwright Act; and the State Fair Employment Practices Act.

C. Subcontractors

LESSEE agrees that subcontractors, bidders and vendors thereof are and shall be selected without regard to or because of race, religion, ancestry, national origin or sex.

D. Records

All contracting and construction records relating to work performed by or for LESSEE at the PREMISES, except to the extent such documents are privileged or confidential, shall be open for inspection and reinspection at any reasonable time upon advance notice from DISTRICT during the TERM of this LEASE for the purpose of verifying the practice of non-discrimination by LESSEE in the areas heretofore described, which inspection shall be subject to a non-disclosure agreement in a form reasonably acceptable to the parties.

ARTICLE 27.
QUIET ENJOYMENT

Subject to Article 3 above, and Article 7, DISTRICT covenants that LESSEE upon timely and properly performing LESSEE's obligations herein shall have the quiet and undisturbed possession of the Improvements throughout the TERM of this LEASE.

ARTICLE 28.
WARRANTIES

A. No Warranty of Title

LESSEE accepts the PREMISES "as is" and DISTRICT makes no warranties as to whether the PREMISES delivered to LESSEE are free and clear of any claims, obligations, tax assessments, liens and encumbrances, except as follows: DISTRICT hereby represents and warrants to LESSEE (and shall indemnify and hold harmless LESSEE for a breach hereof) that the PREMISES are not encumbered by any mortgage or deed of trust or similar instrument evidencing a loan and/or containing a power of foreclosure. LESSEE may, at its sole cost and expense, procure a policy of title insurance.

B. No Warranty of Soil

DISTRICT makes no covenants or warranties with respect to the condition of the soil, subsoil or any other condition of the PREMISES.

C. No Warranty of Use

DISTRICT makes no representations or covenants or warranties as regards LESSEE'S proposed or actual use of the PREMISES or the LESSEE' IMPROVEMENTS thereon.

ARTICLE 29.
OPERATIONS AND SUPERVISION

A. Operations

LESSEE shall operate all its LESSEE IMPROVEMENTS on the PREMISES comparable with LESSEE'S other such operations in Universal City. LESSEE shall at all times during the Term of this LEASE provide adequate security measures to reasonably protect persons and property on the PREMISES.

B. Supervision by LESSEE

LESSEE's management personnel who are responsible for the oversight of the PREMISES shall be personally experienced and skilled in management of operations as described herein. LESSEE shall ensure and provide efficient supervision of LESSEE's operations, using competent personnel, and shall keep employed at all times, during any construction activities on the PREMISES, a competent supervisor and any necessary assistants.

ARTICLE 30.
MISCELLANEOUS

A. Notices

1. Any notice to be given or other document to be delivered by either party to the other hereunder may be delivered in person to either party or by private courier (including nationally recognized overnight couriers) or may be deposited in the United States mail, duly registered or certified, with postage prepaid, and addressed to the party for whom intended as follows:

To DISTRICT: Los Angeles County Flood Control District
P.O. Box 1460
900 South Fremont Avenue
Alhambra, California 91802 1460
Attn: Survey/Mapping & Property Management Division

To LESSEE: NBCUniversal Media, LLC
30 Rockefeller Plaza
New York, New York 10112
Attention: Global Real Estate

with a copy to: NBCUniversal Media, LLC
30 Rockefeller Plaza
New York, New York 10112
Attention: Law Department

NBCUniversal Media, LLC
100 Universal City Plaza
Universal City, CA 91608
Attn: Mark Lyum

2. Either party hereto may from time to time by written notice to the other party designate a different address which shall be substituted for the one above specified, except that LESSEE shall always provide a California address. If any notice or other document is sent by registered or certified mail, as aforesaid, the same shall be deemed served or delivered twenty four (24) hours after the mailing therefore as above provided; if sent by courier, the same shall be deemed served or delivered when signed for or declined.

B. Waiver

No waiver by either party of any breach by the other party of any term, covenant or condition of this LEASE shall be deemed a waiver of any other breach of the same or any other term, covenant or condition of the LEASE. The payment or acceptance of Rent hereunder shall not be deemed a waiver of any breach of any term, covenant or condition of this LEASE.

C. Holding Over

If LESSEE shall hold over at the PREMISES after the expiration of the TERM hereof with the consent of DISTRICT, either expressed or implied, such holding over shall be construed to be a month to-month tenancy only, subject to all the covenants, conditions and obligations hereof and, during any such holdover period, LESSEE hereby agrees to pay to DISTRICT the rental at a rate equal to 125% of the sum of the annual rent paid by LESSEE during the last year of tenancy, prorated on a monthly basis however, nothing herein contained shall be construed to give LESSEE any rights to so hold over and to continue in possession of the Premises after the expiration of the terms hereof.

D. Lease Binding Upon Successors and Assigns

Subject to the limitations on assignment, each of the terms, covenants and conditions of this LEASE extend to, bind and inure to the benefit of not only DISTRICT and LESSEE, but each of their successors and assigns. Whenever reference is made to either DISTRICT or LESSEE in this LEASE, the reference shall be deemed to include, wherever applicable, the successors and assigns of such parties the same as if in every case expressed.

E. Covenants

All provisions of this LEASE, whether covenants or conditions, on the part of LESSEE, shall be deemed to be both covenants and conditions.

F. Negation of Partnership

Nothing in this LEASE shall be construed to render DISTRICT in any way or for any purpose a partner, joint venturer, or associate in any relationship with LESSEE other than that of landlord and tenant, nor shall this LEASE be construed to authorize either to act as agent for the other unless expressly provided in this LEASE.

G. Quitclaim

At the expiration or earlier termination of this LEASE, LESSEE shall execute, acknowledge and deliver to DISTRICT within thirty (30) days after written demand from DISTRICT to LESSEE, any quitclaim deed or other document as may be required by and on a form acceptable to any reputable title company, including DISTRICT's Title Officer, to remove the cloud of this LEASE from the title of the real property subject to this LEASE. The quitclaim deed shall also confirm title in LESSEE's Improvement(s) to DISTRICT, which DISTRICT has elected to retain pursuant to Article 9, herein.

H. Number and Inclusion, Joint and Several

Whenever the singular number is used in this LEASE and when required by the context, the same shall include the plural, and the word person shall include corporation, firm or association.

If there is more than one LESSEE, the obligations imposed under this LEASE upon LESSEE shall be joint and several.

I. Headings and Titles

The marginal headings or titles to the paragraphs of this LEASE are not a part of this LEASE and shall have no effect upon the construction or interpretation of any part herein.

J. Compliance with Governmental Regulations

LESSEE shall, at its own cost and expense, promptly and properly observe, comply with and execute, including the making of any alteration, addition or change to the PREMISES, all present and future Permits, orders, regulations, directions, rules, laws, ordinances and requirements of all governmental authorities (including but not limited to state, municipal, district and federal governments and their departments, bureaus, boards and officials), arising from or applicable to LESSEE's use or occupancy of the PREMISES. LESSEE shall have the right to contest or review, by legal procedure or in such other manner as LESSEE may deem suitable, at its own expense, any such order, regulation, direction, rule, law, ordinance or requirement and if able, may have the same

canceled, removed, revoked or modified, provided that DISTRICT is not subjected to a criminal prosecution and that DISTRICT's title to the PREMISES is not subject to forfeiture, and LESSEE hereby agrees to indemnify, defend and hold DISTRICT harmless from and against any civil liability as a result of any such contest or review. Any such proceedings shall be conducted promptly and shall include, if LESSEE so decides, appropriate appeals. Whenever requirements become absolute after a contest, LESSEE shall diligently comply with the same or so much thereof as shall have been judicially sustained. Notwithstanding anything to the contrary contained herein, LESSEE shall have no obligation to comply with those Permits, orders, regulations, directions, rules, laws, ordinances and requirements applicable to (i) the structural elements of the PREMISES except the access road, (ii) the DISTRICT'S IMPROVEMENTS or (iii) any other existing underground structures installed by DISTRICT or other third parties or the installations or activities of any third parties permitted onto the PREMISES by DISTRICT pursuant to the provisions of this LEASE, or to make any alterations, additions or changes relating to the foregoing matters (i) through (iii), each of which shall be the responsibility of DISTRICT.

K. Ineligibility for Relocation Assistance

LESSEE expressly acknowledges that LESSEE is a post acquisition's tenant, and termination by reasons of an exercise of the rights herein reserved to DISTRICT, breach of the LEASE terms by LESSEE, expiration of the TERM hereof, or termination for any other reason expressly provided hereunder shall not entitle LESSEE to a claim of status as a displaced person as such is defined in Section 7260 (b)(c)(d) of the Government Code of the State of California. For all purposes with respect to this LEASE, LESSEE hereby disclaims such status and hereby acknowledges its ineligibility for relocation assistance as provided in Government Code Sections 7260 through 7277, as it exists or as it may be amended.

L. Storage of Materials

LESSEE shall not use the PREMISES for the permanent storage of excavated materials, rock, sand, cement, or other material except as specifically approved in writing from DISTRICT.

M. Entire Lease

This LEASE contains the entire LEASE of the parties and of matters covered hereby, and no other previous agreement, statement or promise made by any party hereto which is not contained herein shall be binding or valid unless in writing and properly executed by both parties.

N. Time of Essence

Time is of the essence with respect to obligations to be performed under this LEASE.

O. Claims and Protest

1. During reasonable hours, with reasonable frequency and subject, at LESSEE's option, to accompaniment by LESSEE, and further subject to Section 29.B. above, DISTRICT, its agents or employees shall have the right, but not the obligation, to enter upon and inspect the PREMISES and operations and to make written Demand to Perform upon LESSEE to perform its obligations under this LEASE. Such Demand shall specify the obligations to be performed and shall specifically reference this Section 32.O and the requirements hereof in bold, uppercase and conspicuous letters. LESSEE shall with reasonable diligence and in accordance with this LEASE, perform its obligations placed upon LESSEE by DISTRICT.
2. If LESSEE disputes such Demand, within one hundred twenty (120) days after any such Demand is given, LESSEE shall file a written Protest of Demand with DISTRICT stating clearly and in detail its objections and reasons. If LESSEE does not file such Protest within said time, LESSEE shall be deemed to have waived its right to dispute the Demand.

P. Monetary Obligations as Rent

All monetary obligations owed by LESSEE to DISTRICT shall be deemed to be Rent.

Q. Savings Clause

If any provision or provisions of this LEASE are for any reason adjudged to be unenforceable or invalid, it is the specific intent of the parties that the remainder shall subsist, be, and remain in full force and effect.

R. Protection of The Premises

LESSEE shall maintain its facilities in such a manner as to protect DISTRICT's property from damage, injury, loss or liability arising from rainfall or other action(s) of the elements.

S. Authority to Enter Lease

LESSEE and DISTRICT individually and severally attest that they are duly authorized to execute this LEASE.

T. Final Agreement

This LEASE terminates and supersedes all prior understandings or agreements on the subject matter hereof. This LEASE may be amended only by a further writing that is duly executed by both LESSEE and by DISTRICT's Chief Engineer or designee.

**ARTICLE 31.
COUNTY LOBBYIST**

LESSEE shall be familiar with and adhere to Los Angeles County Code Section 2.160.010, County Lobbyist. Each County Lobbyist as defined by Los Angeles County Code Section 2.160.010 retained by LESSEE and/or LESSEE'S representative or agent shall fully comply with provisions set forth therein.

**ARTICLE 32.
DECLARATION OF KNOWLEDGE BY LESSEE**

LESSEE warrants that LESSEE has carefully examined this LEASE and by investigation of the site and of all matters relating to the LEASE arrangements has fully informed itself as to all existing conditions and limitations affecting the construction of Improvements thereon and business practices required in the operation and management of the uses contemplated hereunder.

**ARTICLE 33.
DEFINITIONS**

AFFILIATED ENTITY: Any subsidiary corporation, joint venture, partnership or other relationship where LESSEE or any of its principals or owners are officers, shareholders or otherwise interested.

CONSUMER PRICE INDEX-ALL URBAN CONSUMERS (CPI-U): The Index published by the US Department of Labor, Bureau of Labor Statistics that tracks change in the cost of living for all urban consumers in the Los Angeles County area.

DAYS: All references to days shall be in calendar days unless otherwise noted.

MINOR REPAIR(S): Any routine repair(s) and maintenance, including graffiti removal, which does not include any material penetration of the soil's surface (other than routine repairs and maintenance of potholes, road resurfacing, etc. which shall be deemed MINOR REPAIR(S)), to the PREMISES and/or Improvements thereon.

ACKNOWLEDGMENTS

IN WITNESS WHEREOF, the said LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, a body corporate and politic, by order of its Board of Supervisors, has caused the Lease to be subscribed by the Chairman of the Board and the seal of said DISTRICT to be affixed hereto and attested by its Executive Officer of the Board of Supervisors, and the LESSEE has hereunto subscribed their names, the day and year first above written.

LESSEE

UNIVERSAL STUDIOS LLC
a limited liability company

By: *E. Mark Lyum*
NAME: E. MARK LYUM
TITLE: SENIOR VICE PRESIDENT

ADOPTED
BOARD OF SUPERVISORS

22 AUG 12 2014

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

DISTRICT

LOS ANGELES COUNTY FLOOD CONTROL DISTRICT
a body corporate and politic

By: *Don Krabe*
Chairman, Board of Supervisors



78251

ATTEST:
SACHI A. HAMAI, Executive Officer
of the Board of Supervisors
of the County of Los Angeles

By: *Antonia*
Deputy

APPROVED AS TO FORM:

JOHN F. KRATTLI
County Counsel

I hereby certify that pursuant to
Section 25103 of the Government Code,
a copy of this document has been made.

SACHI A. HAMAI
Executive Officer
of the Board of Supervisors

By: *Antonia*
Deputy

HOA.869317.27



John F. Krattli
Deputy

ACKNOWLEDGMENT FORM

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

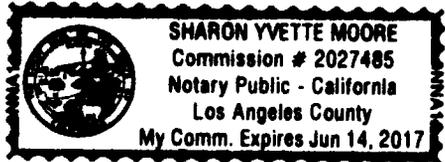
On JUNE 25, 2014, before me, SHARON YVETTE MOORE, Notary Public,
(insert name of the officer) (insert title of the officer)
personally appeared EDWARD MARK LYUM

(insert name(s) and title(s))
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature *Sharon Yvette Moore*
SHARON YVETTE MOORE (Seal)



ACKNOWLEDGMENT FORM

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, before me, _____, Notary Public,
(insert name of the officer) (insert title of the officer)
personally appeared _____

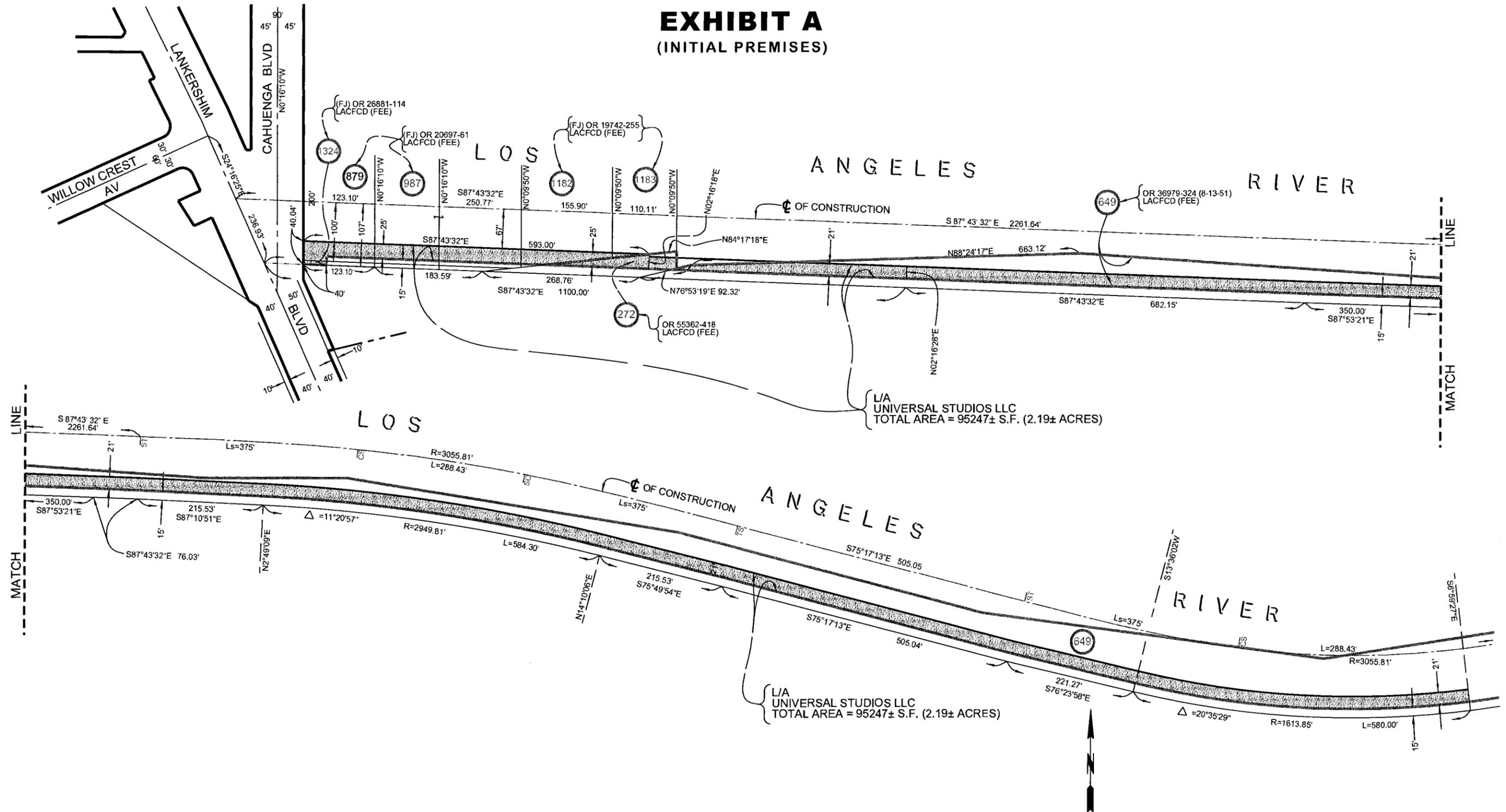
(insert name(s) and title(s))
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

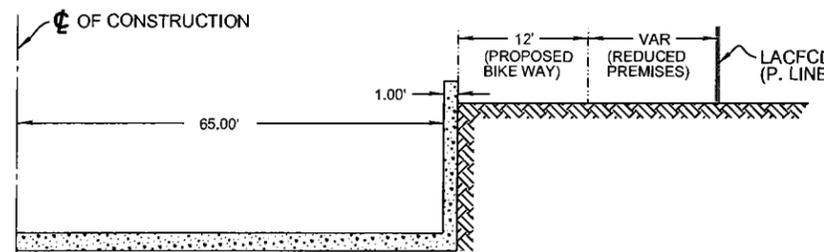
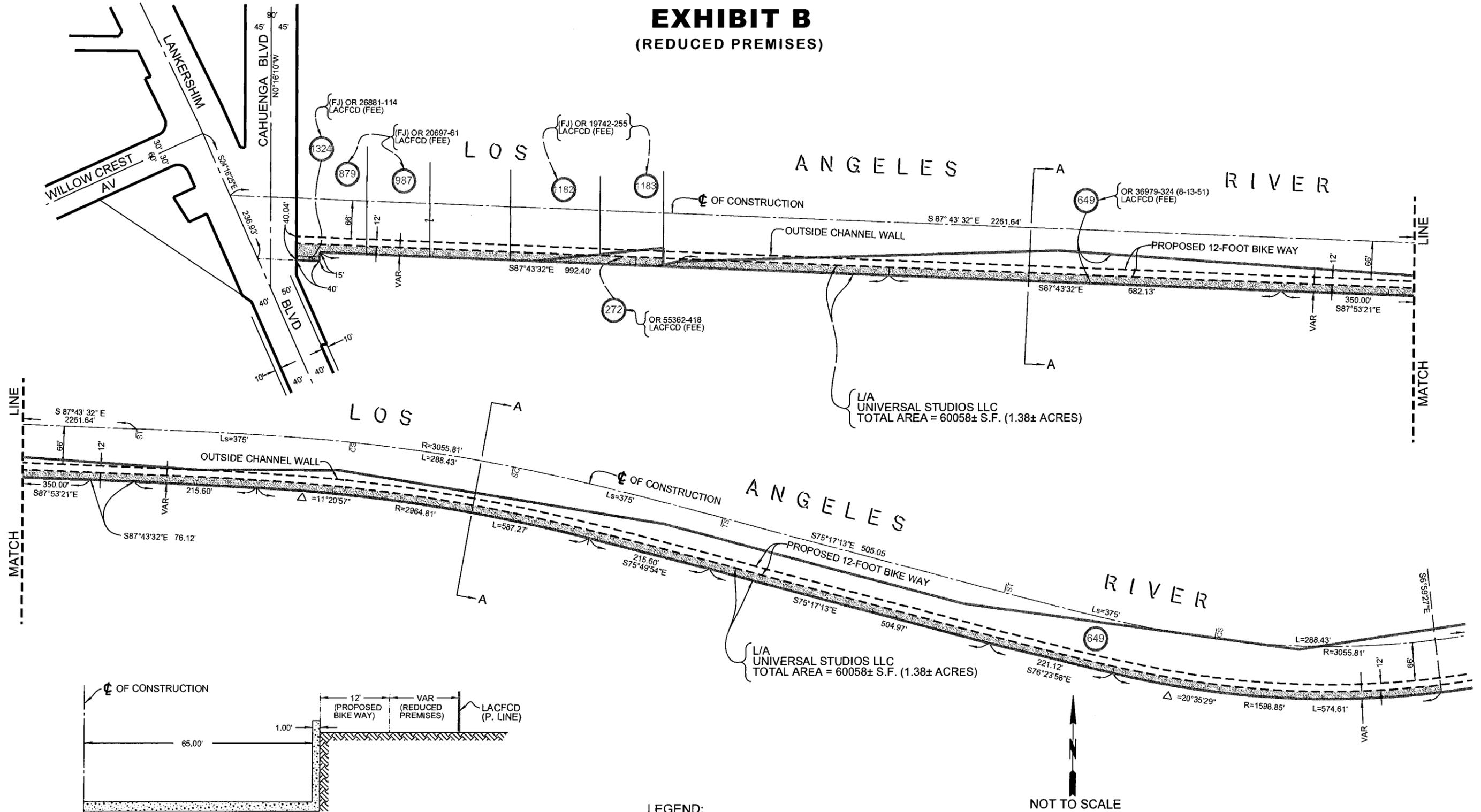
EXHIBIT A (INITIAL PREMISES)



LEGEND:
 FLOOD RIGHT OF WAY (LACFCD-FEE) - 
 INITIAL PREMISES - 

REFERENCE		LOS ANGELES COUNTY DEPARTMENT OF PUBLIC WORKS SURVEY/MAPPING & PROPERTY MANAGEMENT DIVISION	
RW MAP 19-RW20.2 & 20.3 A.I.N. 2424-037-900, 2424-042-901, 2424-043-900 & 901		LOS ANGELES RIVER (LEASE AGREEMENT - UNIVERSAL STUDIOS LLC)	
T.G. 563-B5 & C-5 S.D. 3	PROJECT ID MPR000130	PREPARED BY A MERCADO	CHECKED BY A ATALLA
			DATE 5-21-2013

EXHIBIT B (REDUCED PREMISES)



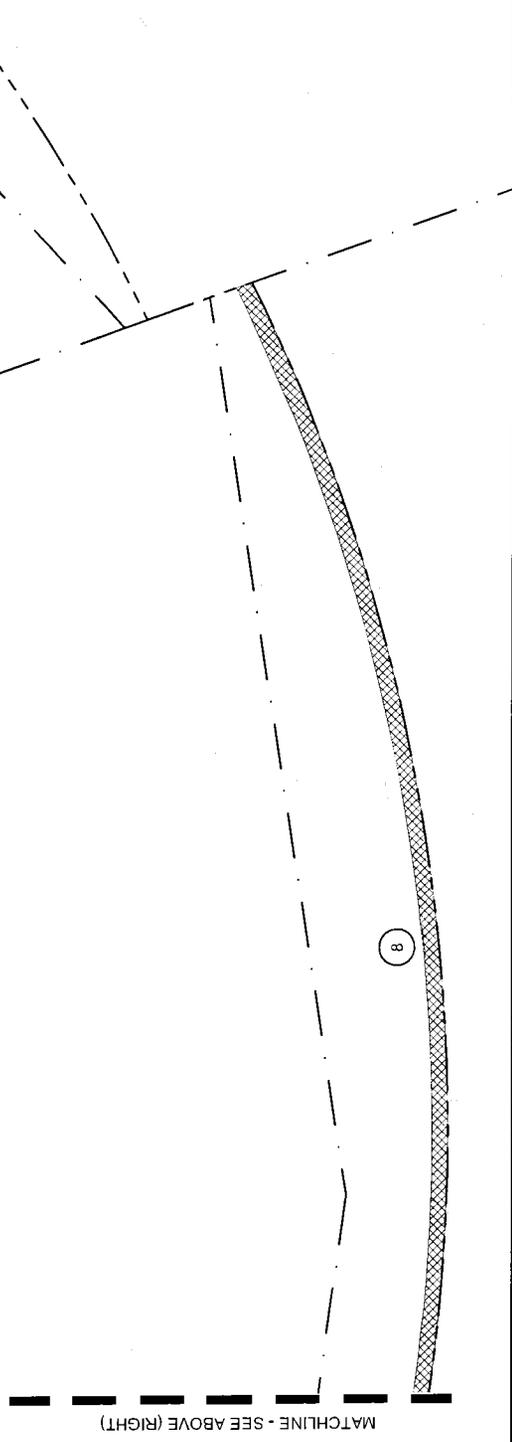
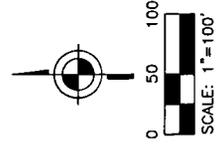
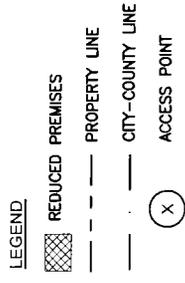
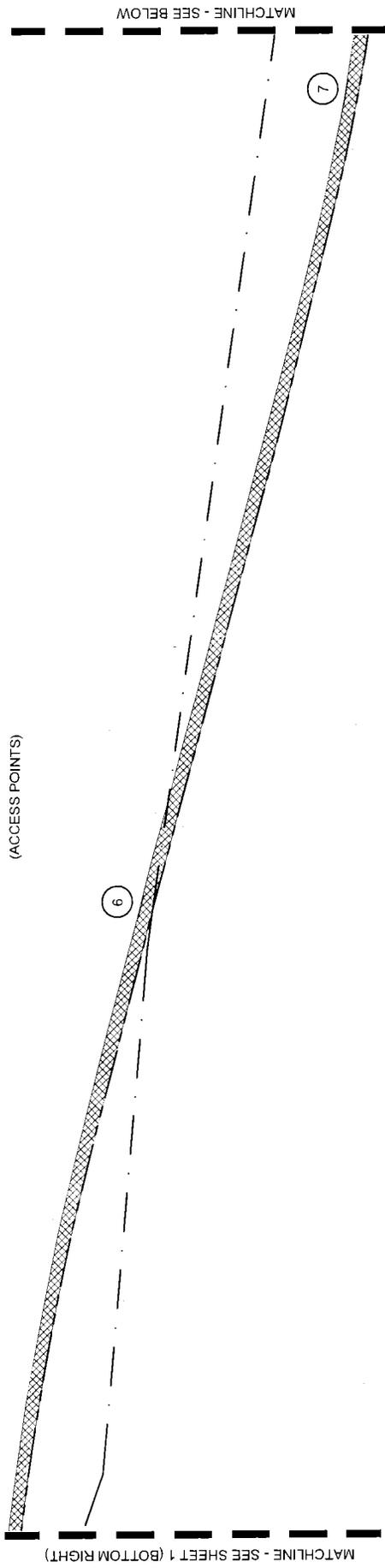
LEGEND:

FLOOD RIGHT OF WAY (LACFCD-FEE) -	
PROPOSED 12-FOOT BIKE WAY -	
REDUCED PREMISES -	

NOT TO SCALE

REFERENCE RW MAP 19-RW20.2 & 20.3 A.I.N. 2424-037-900, 2424-042-901, 2424-043-900 & 901 T.G. 563-B5 & C-5 S.D. 3	LOS ANGELES COUNTY DEPARTMENT OF PUBLIC WORKS SURVEY/MAPPING & PROPERTY MANAGEMENT DIVISION			
	LOS ANGELES RIVER (LEASE AGREEMENT - UNIVERSAL STUDIOS LLC)			
PROJECT ID MPR0000130	PREPARED BY A MERCADO	CHECKED BY A ATALLA	DATE 5-21-2013	

EXHIBIT C
(ACCESS POINTS)



ENCLOSURE B

COOPERATIVE AGREEMENT
BETWEEN THE COUNTY OF LOS ANGELES AND UNIVERSAL STUDIOS, LLC
REGARDING THE DEVELOPMENT OF A BIKEWAY ALONG THE
LOS ANGELES RIVER ADJACENT TO UNIVERSAL STUDIOS

AGREEMENT is made and entered into as of the date of the last party signature set forth below by and between the County of Los Angeles (COUNTY) and Universal Studios, LLC (UNIVERSAL), hereinafter referred to as PARTIES collectively.

WITNESSETH

WHEREAS, COUNTY is preparing a plan for a bikeway generally adjacent to the Los Angeles River from Griffith Park to Studio City (BIKEWAY PLAN); and

WHEREAS, UNIVERSAL leases property owned by the Los Angeles County Flood Control District (DISTRICT), located along the south side of the Los Angeles River Channel between Lankershim Boulevard and Barham Boulevard (LEASED PROPERTY), within the limits of the BIKEWAY PLAN; and

WHEREAS, COUNTY intends the BIKEWAY PLAN to include a bikeway that is to be generally twelve (12) feet in width on the LEASED PROPERTY directly adjacent to the Los Angeles River Channel wall (BIKEWAY); and

WHEREAS, if COUNTY determines to proceed with the construction of the BIKEWAY and the width of the BIKEWAY is twelve (12) feet in width or less, UNIVERSAL intends, concurrently with the construction of the BIKEWAY, to construct a new access road on the LEASED PROPERTY to be located adjacent to the BIKEWAY (NEW UNIVERSAL ROAD); and

WHEREAS, if COUNTY determines to proceed with the construction of the BIKEWAY and the BIKEWAY width is more than twelve (12) feet, UNIVERSAL will have the option to terminate its lease with DISTRICT and vacate the LEASED PROPERTY; and

WHEREAS, if COUNTY determines to proceed with the construction of the BIKEWAY, the PARTIES will cooperate and coordinate in their respective activities.

NOW, THEREFORE, in consideration of the mutual benefits to be derived by the PARTIES and of the promises herein contained, it is hereby agreed as follows:

- (1) COUNTY shall be responsible for compliance with the California Environmental Quality Act in connection with the BIKEWAY PLAN and for seeking all regulatory approvals required for the BIKEWAY PLAN, including but not limited to approval from the U.S. Army Corps of Engineers (including any related U.S. Environmental Protection Agency documentation) as necessary and all costs and expenses related thereto.

- (2) The PARTIES shall coordinate in the preparation of the construction plans and scheduling for such elements of the work required to construct the BIKEWAY and NEW UNIVERSAL ROAD to the extent that the same must or can reasonably be coordinated. Accordingly, the PARTIES shall each assign a primary contact and/or project manager for such coordination with respective delegates as secondary contacts. Such coordination shall include the PARTIES' consideration as to whether certain elements of the BIKEWAY and NEW UNIVERSAL ROAD should be constructed by a single contractor (such as construction related to, but not limited to, grading, drainage, road base, and road surface).
- (3) The PARTIES may (but shall not be obligated to) elect to enter into a single contract for the construction of any element of the BIKEWAY and NEW UNIVERSAL ROAD with a contractor that shall be reasonably and mutually approved by both PARTIES.
- (4) If the PARTIES elect not to enter into a single contract for the construction of any element of the BIKEWAY and NEW UNIVERSAL ROAD, each party shall have the right to consent to the other party's respective design and construction plans, not to be unreasonably withheld, conditioned, or delayed, to the extent that the same affects the consenting party's improvement or use of the LEASED PROPERTY.
- (5) During the construction of the BIKEWAY and NEW UNIVERSAL ROAD, the PARTIES shall reasonably cooperate in good faith during any simultaneous work being performed by the PARTIES in order to minimize interruption or interference with the other party's work and access to the work site. Further, during all such work, the PARTIES shall reasonably coordinate and cooperate, in good faith, with respect to issues of staging, scheduling, and access, including granting reasonable temporary access to each other as necessary for the construction of the BIKEWAY and NEW UNIVERSAL ROAD, respectively.
- (6) UNIVERSAL shall be responsible for the costs and liabilities associated with the construction of the NEW UNIVERSAL ROAD, except to the extent any such costs or liabilities are caused by the negligence or willful misconduct of COUNTY or COUNTY'S employees, contractors, agents, invitees, or licensees. COUNTY shall be responsible for the costs and liabilities associated with the construction of the BIKEWAY, except to the extent any such costs or liabilities are caused by the negligence or willful misconduct of UNIVERSAL or UNIVERSAL'S employees, contractors, agents, invitees, or licensees.
- (7) Following completion of construction of the BIKEWAY, COUNTY shall be solely responsible for the repair and maintenance of the BIKEWAY.

(8) In the event that COUNTY determines to proceed with construction of the BIKEWAY and the BIKEWAY is wider than twelve (12) feet and UNIVERSAL determines to terminate its lease with DISTRICT, COUNTY and UNIVERSAL shall work cooperatively to coordinate COUNTY'S construction activities and UNIVERSAL'S activities related to its vacation of the LEASED PROPERTY and COUNTY may perform any construction activities on the LEASED PROPERTY as long as said activities do not unreasonably interfere with UNIVERSAL'S activities related to its vacation of the LEASED PROPERTY.

(9) This AGREEMENT is intended to apply in the event that COUNTY has determined to proceed with construction of the BIKEWAY. Nothing in this AGREEMENT is intended or shall be deemed to obligate or require COUNTY to proceed with construction of any the BIKEWAY.

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IN WITNESS WHEREOF, PARTIES hereto have caused this AGREEMENT to be executed by their duly authorized representatives and affixed as of the date of signature of PARTIES:

COUNTY OF LOS ANGELES

By *Don Krabe*
Chairman, Board of Supervisors

ATTEST:

SACHI A. HAMAI
Executive Officer of the
Board of Supervisors of the
County of Los Angeles

Date August 12, 2014

By *Antel*
Date August 12, 2014



I hereby certify that pursuant to
Section 25103 of the Government Code,
delivery of this document has been made

SACHI A. HAMAI
Executive Officer
Terk of the Board of Supervisors

By *Antel*
Deputy

APPROVED AS TO FORM:

JOHN F. KRATTLI
County Counsel

By *[Signature]*
Deputy

Date 7-2-14

ADOPTED
BOARD OF SUPERVISORS

22 **AUG 12 2014**

UNIVERSAL STUDIOS, LLC

By *E. Mark Lyum*
Date JUNE 25, 2014

CW:sl
P:\MPPUB\ADMIN\SLLEE 2013 & 2014\SMP-6\AG CW LAR 649
NAME: E. MARK LYUM
TITLE: SENIOR VICE PRESIDENT

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

78252

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On January 6, 1987, the Board of Supervisors for the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies, and authorities for which said Board so acts adopted a resolution pursuant to Section 25103 of the Government Code that authorized the use of facsimile signatures of the Chairman of the Board on all papers, documents, or instruments requiring the Chairman's signature.

The undersigned hereby certifies that on this 12th day of August, 20 14, the facsimile signature of DON KNABE, Chairman of the Board of Supervisors of the COUNTY OF LOS ANGELES, was affixed hereto as the official execution of this document. The undersigned further certifies that on this date a copy of the document was delivered to the Chairman of the Board of Supervisors of the COUNTY OF LOS ANGELES.

In witness whereof, I have also hereunto set my hand and affixed my official seal the day and year above written.



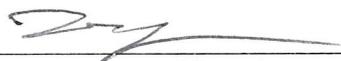
(COUNTY-SEAL)

SACHI A. HAMAI, Executive Officer
of the Board of Supervisors
of the County of Los Angeles

By 
Deputy

APPROVED AS TO FORM

JOHN F. KRATTLI,
County Counsel

By 
Deputy

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT
CIVIL CODE § 1189

State of California

County of **LOS ANGELES**

On **JUNE 25, 2014** before me, **SHARON YVETTE MOORE, NOTARY PUBLIC**,
Date Name and Title of the Officer

personally appeared **EDWARD MARK LYUM**
Name(s) of Signer(s)



Place Notary Seal Above

who proved to me on the basis of satisfactory evidence to be the person(~~s~~) whose name(~~s~~) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(~~ies~~), and that by his/~~her/their~~ signature(~~s~~) on the instrument the person(~~s~~), or the entity upon behalf of which the person(~~s~~) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

Signature of Notary Public

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: **Cooperative Agreement** Document Date: _____

Number of Pages: **4** Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: **E. MARK LYUM**

- Corporate Officer — Title(s): _____
- Partner — Limited General
- Individual Attorney in Fact
- Trustee Guardian or Conservator
- Other: _____

Signer's Name: _____

- Corporate Officer — Title(s): _____
- Partner — Limited General
- Individual Attorney in Fact
- Trustee Guardian or Conservator
- Other: _____

Signer Is Representing: **UNIVERSAL STUDIOS, LLC**

Signer Is Representing: _____