

**TERM SHEET
FOR
AMENDED AND RESTATED SUBLEASE
BETWEEN
LOS ANGELES MEMORIAL COLISEUM COMMISSION
AND
UNIVERSITY OF SOUTHERN CALIFORNIA**

This Term Sheet is an outline of the major provisions to be included in an amendment and restatement of the existing Lease and Agreement dated May 14, 2008 (the “**Existing Lease**”) between the Los Angeles Memorial Coliseum Commission (“**Commission**”) and the University of Southern California (“**USC**”) to be prepared for consideration by the Commission and USC (“**Amended Lease**”). This Term Sheet is not a legally binding agreement to amend and restate the Existing Lease. It is contemplated that any Amended Lease prepared for consideration by the Commission and USC shall include the major terms and provisions set forth in this Term Sheet and other lease terms and provisions. Neither the Commission nor USC have approved an Amended Lease. The terms and provisions of an Amended Lease would include the following:

1. **Leased Premises:** The premises (the “**Premises**”) will include all of the Commission’s real property interests in or adjacent to Exposition Park, consisting of:
 - (a) **Commission-leased property:**
 - (i) the Coliseum and associated property leased from the Sixth Agricultural District (the “**District**”) under the Coliseum lease between the District and the Commission (the “**District Coliseum Lease**”);
 - (ii) the Sports Arena and associated property leased from the District under the Sports Arena lease between the District and the Commission (the “**District Sports Arena Lease**” and collectively with the District Coliseum Lease the “**District Leases**”);
 - (b) **Commission-owned property:**
 - (i) the 110 Freeway sign and associated property owned by the Commission;
 - (ii) the three parcels in Parking Lot 1 owned by the Commission, which ownership continues until the expiration or earlier termination of the Amended and Restated Los Angeles Memorial Coliseum Commission Management Agreement dated November 9, 1976, as amended (“**Joint Powers Agreement**”), and at that time reverts to the District; and
 - (iii) the one parcel in Parking Lot 3/Jesse Brewer Park owned by the Commission, which ownership continues until the expiration or earlier termination of the Joint Powers Agreement, and at that time reverts to the District.

USC acknowledges the right of the Commission prior to execution of the Amended Lease with USC to negotiate, in consultation with USC, a formal arrangement with the City for the daily use by the EXPO Center on days other than Coliseum event days, of parking in the three parcels owned by the Commission in Parking Lot 1. Such parking would be in exchange for consideration acceptable to the Commission, which may include use by USC (as Commission's lessee) of parking adjacent to the EXPO Center building on Coliseum event days. The Amended Lease would be subject to such arrangement, but USC shall have no obligation to execute the Amended Lease unless such arrangement is reasonably acceptable to USC.

- (c) Additional property: The Commission shall transfer to USC a leasehold interest in all plans, specifications, maps, reports, studies and other documents related to the management, operation, maintenance, repair and condition of the Premises.

- 2. **Use; Public Benefit Requirements**: USC acknowledges the public benefit requirements for the use of the Premises as set forth in the District Leases. Subject to Section 7 below, and compliance with such public benefit requirements, USC will have the exclusive right to manage and operate the Premises for all purposes and events (collectively, "**Events**"). The parties acknowledge that the public benefit requirements include educational uses. USC shall collaborate and cooperate with all other entities in Exposition Park regarding the scheduling of events that require use of the parking facilities in Exposition Park. USC shall comply with applicable law in connection with the use and operation of the Premises, including compliance with all governmental requirements pertaining to curfew or noise levels. USC shall appoint and/or authorize an advisory board, committee or other liaison to interface and consult with the community regarding USC's use and operation of the Premises, including matters relating to Events, and associated effects upon Exposition Park and the surrounding community.

- 3. **Lease Term**:

- (a) The revised lease term will commence upon a mutually agreeable transition date (e.g., April 1, 2012) and continue for the following periods:
 - (i) as to the Commission-leased property, twenty (20) years, plus four five-year renewal options and one two-year renewal option, such that the term of the lease is coterminous with the December 31, 2054 expiration date of the existing District Leases; and
 - (ii) the term for the Commission-owned property shall be the same as the term set forth in Section 2(a)(i) above, except that if, as of the date of the execution of the Amended Lease, USC has entered into a lease with the District for the Commission-leased property for a term commencing on the expiration of the District Leases, then the lease term for the Commission-owned property shall be coterminous with the term of such lease between USC and the District, but not later than the date that ownership of the Commission-owned property reverts to the District; provided, however that the lease term for the Commission-owned property shall not be longer than

ninety-nine (99) years. Additionally, USC will have the continued right to lease the Commission-owned property on a co-terminous basis if USC enters into an agreement with the District (during the lease term or thereafter) for the continued leasing of the Commission-leased property beyond the lease term of USC's leases with the Commission, and/or any then-existing lease between USC and the District for the Commission-leased property, but such lease from the Commission shall not extend beyond the date that ownership of the Commission-owned property reverts to the District.

- (b) USC will have a right to seek from the District a first refusal right to lease the Premises, or any part thereof that is offered for lease after the expiration of the term of the lease, as it may be extended.
- (c) USC will have a right to seek from the District a commitment that in the event that the District or any other governmental agency with authority elects, in its sole and absolute discretion, to sell the Premises, or any part thereof, during the term of the lease, as it may be extended, USC will have a right of first refusal to purchase the Premises.

4. **Rent:** The rent payable by USC will consist of:

- (a) Base rent equal to the rent payable to the District under the underlying District leases.
- (b) Additional rent equal to an agreed-upon sum necessary to fund ongoing Commission operations, including, without limitation, any real property assessments payable by the Commission (other than fines or penalties resulting from late payment by the Commission), and the annual cost of retiree health premiums to be paid by the Commission for retired employees from and after the effective date of the Amended Lease.
- (c) Assumption of the Commission's on-going obligation to make monthly financing payments to Kinetic Leasing, Inc. for the west video board, commencing as of the effective date of the Amended Lease.
- (d) A share of the amount (the "**Calculated Amount**") for each year by which (i) net revenues (i.e., gross revenues less operating expenses) from the operation of the Coliseum-related Premises (i.e., excluding the Sports Arena), including without limitation, revenues from rental receipts (but in the case of USC sporting events not less than a market percentage of gate receipts, which the parties acknowledge currently is 8%), naming rights (subject to the limitations set forth in Sections 6(b) and (c) below), signage (subject to the limitations set forth in Section 11 below), concessions, filming and other operations, exceeds (ii) the sum of (A) the non-recouped total cost of all capital improvements made to the Coliseum pursuant to Section 5(a) below, with accrued interest at USC's "internal lending rate" until fully recouped by USC; (B) the non-recouped cost of additional capital improvements made to the Coliseum pursuant to Sections 5(b) and (c), with accrued interest at USC's internal lending rate until fully recouped by USC; and (C) contributions to the capital expenditure reserve described in Section 5(d). The costs

described in clauses (A) and (B) above (“**Capital Improvement Costs**”) shall cumulate and carry forward from year to year (as increased due to additional expenditures or reduced by the application of net revenues) until USC has recouped all such costs. There shall also be a carry-forward of net operating losses. Capital Improvement Costs shall not include costs that are funded through governmental grants or other governmental funding.

- (i) The Commission’s share of the Calculated Amount shall be determined annually at the end of each year of the term as follows:

Calculated Amount	Commission’s Share
\$0 - \$2,500,000	5%
\$2,500,001 - \$5,000,000	10%
\$5,000,001 - \$7,500,000	15%
\$7,500,001 and above	20%

By way of example only, if the Calculated Amount for a given year were \$10,000,000, the Coliseum’s payment would be calculated as follows:

5% of the 1st \$2,500,000 =	\$125,000
10% of the 2nd \$2,500,000 =	\$250,000
15% of the 3rd \$2,500,000 =	\$375,000
20% of the 4th \$2,500,000 =	<u>\$500,000</u>
Total:	\$1,250,000

- (ii) The Calculated Amounts set forth in the foregoing table shall be adjusted annually as of the date of payment by an amount equal to the percentage increase, if any, in the CPI most recently published as of the date thirty (30) days prior to the current payment date, over the CPI most recently published prior to the commencement date of the Amended Lease.
- (iii) USC’s “internal lending rate” means the internal rate charged to schools and departments within the university, which is currently 6%, and which USC will continue to calculate in substantially the same manner as it does currently. USC will notify the Commission in writing upon any change in the internal lending rate.
- (iv) The parties agree and acknowledge that USC may impose a ticket surcharge in order to fund capital improvements. The amount of such ticket surcharge shall be excluded from gross revenues, subject to limitations on the amount of such exclusion to be set forth in the Amended Lease. The capital improvement costs funded by the ticket surcharge shall be included in Capital Improvement Costs for the purposes of determining the Calculated Amount due to the Commission each year.
- (v) USC will maintain a separate account for the income and expenditures associated with the Coliseum-related Premises in order to provide the statements required under Section 9(c) below.

- (vi) The rent received by the Commission pursuant to this Section 4(d) shall be used by the Commission first to fund any unfunded Commission operating expenses and then for the benefit and enhancement of facilities or programs in Exposition Park.
- (e) An additional reimbursement of \$300,000 to the Commission for costs incurred by the Commission for structural improvements and equipment for enhancement of the sound system, which amount shall be paid in three installments of \$100,000 each as of the commencement date of the Amended Lease and as of the first and second anniversaries of such commencement date.

5. **Capital Improvements:** USC will be responsible for undertaking and achieving a comprehensive series of capital improvements to the Coliseum at USC's cost. Such effort is desired by both USC and the Commission as a Centennial Capital Program to be performed in connection with the 100th anniversary of the start of construction of the original Coliseum structure, which will occur in December, 2021.

- (a) USC will make the following capital improvements by December 31, 2021 pursuant to a schedule to be set forth in the Amended Lease that requires the commencement of the work by not later than April 1, 2014:
 - (i) the capital improvements listed in Category 1 on the attached **Schedule 5**, which USC shall be required to complete; provided that some Category 1 projects may be subsumed within or obviated by a more comprehensive project (e.g. cold box refrigeration replaced with ice machines), or may be replaced by a substantial alternative project approved by the Commission, which approval shall not be unreasonably withheld, conditioned or delayed; and
 - (ii) the capital improvements listed in Category 2 on the attached **Schedule 5**, provided that, within each subcategory shown on **Schedule 5**, USC may replace the listed projects with other replacement projects intended to generate revenue and/or provide public amenities that are of equal or greater expense.
- (b) In addition to the capital improvements referenced in Section 5(a) above, as and when funding is available from net operating revenues, grants or donor directed gifts, and based on justifiable business considerations, additional improvements will be made by USC either before or after 2021, at USC's discretion, to improve the Coliseum and the amenities and experience offered to attendees of Events at the Coliseum; and
- (c) In addition to the capital improvements to be installed pursuant to Section 5(a) and (b) above, and only when and if the Coliseum-related Premises generates net revenues in excess of the cost of all capital expenditures made pursuant to Sections 5(a) and (b), USC shall maintain a commercially reasonable on-going annual capital expenditure reserve (which may be funded through the ticket surcharge described in Section 4(d)(iv) and which shall be determined in accordance with industry standards), to be used on an as-needed basis for additional facility improvements and capital repairs.

- (d) USC shall consider the Coliseum Design Guidelines developed by the Coliseum Commission in 2009 in the design and construction of capital improvement projects, and shall be required to comply with applicable law, including any legally mandated historical improvement requirements, as applicable.

6. Naming Rights: USC will be the exclusive holder of all naming rights to the Coliseum building and components, as well as plazas and other pedestrian areas and the Sports Arena, recognizing that revenue from the exploitation of such naming rights can be a significant portion of the funding for USC to realize the capital obligations above. The Commission acknowledges that naming rights may be: (a) commercial in recognition of a paid sponsorship agreement with USC, either directly related to the specific facility at the Coliseum or as part of a larger university agreement; (b) institutional (e.g. "USC"); or (c) honorary for particular individuals in recognition of philanthropy or service. USC's obligations shall be as follows:

- (a) USC will fulfill the Commission's obligations with respect to commercial naming rights under the District Leases, subject to any limitations provided in the District Leases, and subject to USC's right to renegotiate such obligations with the District at any time.
- (b) In the event the stadium facility is named in connection with an institutional or honorary purpose, USC will include in Coliseum-related revenues for the purposes of Section 4(d) only an amount equal to the commercial fair market value of the naming rights, as determined by an independent professional research valuation study (to be paid for by USC) for top-tier college football stadiums to be requested by the Commission at the time that such naming rights are granted by USC (similar to the IEG valuation study prepared at the request of the Commission in July 2011).
- (c) USC will have the right to grant permanent and temporary naming rights for components of the stadium (e.g. peristyle, locker rooms, suites, etc.) in its sole discretion. Revenues from "permanent and commercial" naming rights shall (i) be included in Coliseum-related revenues for the purposes of Section 4(d); and (ii) not shared with the District, to the extent consistent with the District Leases. Naming rights shall be deemed "permanent and commercial" if they identify a paid sponsorship by permanent signage, as defined under applicable City of Los Angeles ordinances. Income from temporary naming rights (identified by temporary signage, as defined by applicable ordinances) shall not be included in Coliseum-related revenues. Permanent institutional or honorary naming rights for stadium components shall not be included in Coliseum-related revenues unless the name is materially and regularly visible in broadcast images of the Coliseum during televised events, or is generally visible from the stands within the Coliseum, and in any event shall be subject to the same limitations as set forth in Section 6(b) above.
- (d) "Memorial Coliseum" shall be included in any name of the Coliseum.

7. Event Scheduling:

- (a) Subject to the terms of this Section 7, and compliance with the public benefit requirements of the District Leases, USC will have the exclusive right to manage and operate the Premises during the lease term for all purposes and events. During the period from the second Wednesday of December through July 5, the Commission may designate not more than eight (8) dates at the Coliseum for non-commercial public interest Events (that are not intended to generate revenue for the Commission or USC), including a July 4th celebration (together “**Commission Event**” or “**Commission Events**”). USC will consider in its reasonable discretion requests for additional Commission Events during the remainder of the month of July; provided that the Commission Events do not conflict with the conduct of or preparation for USC athletic Events, or any other Events scheduled in advance of the scheduling of any Commission Event. Neither the Commission nor the promoter of a Commission Event shall be charged any event fee, rental or other charge for the Commission Event, except for reimbursement to USC of the actual out-of-pocket costs incurred by USC for management of the Event, excluding costs for food, beverage or other concessions operated by USC in connection with the Event. To the extent that USC elects not to operate concessions at a level requested by a Commission Event promoter, then such promoter shall have the right to operate (and retain the revenues from) their own concessions, subject to USC’s reasonable approval of the scope and location of such concessions. In no event shall USC’s concession facilities be used by such promoter, unless approved in writing by USC in its sole discretion.
- (b) Commission Events will be subject to reasonable limitations to be more fully negotiated in the Amended Lease, including the length of each Event, security, and other concerns. USC will manage and supervise all Commission Events. USC shall have the right to deny or place limitations or conditions on the conduct of a requested Commission Event if in USC’s commercially reasonable judgment the Commission Event itself (as opposed to any opposition to such Commission Event) creates unreasonable security risks, and such denial, limitations or conditions comply with the District Leases and applicable law.
- (c) USC will cooperate with a request by the City, County or State for use of the Coliseum on a temporary basis (up to 4 years) by not more than one NFL team. USC will negotiate in good faith with the NFL to structure a sublease at fair market value; provided that USC will not incur any additional expense or liability and will be indemnified by such NFL team against liabilities resulting from such sublease. In the event of such an NFL team sublease, during the term of such a sublease the Commission Event period each year shall commence on the second Wednesday of February rather than the second Wednesday of December, except that the Commission shall be permitted to include CIF high school football championship games as a Commission Event during the month of December; provided they do not occur on the day of a USC or NFL game scheduled at the Coliseum. Funds contributed by an NFL team to capital improvements in the Coliseum shall not be included in (i) Capital Improvement Costs for the purpose of determining the Commission’s Calculated Amount pursuant to Section 4(d); or (ii) Coliseum-related revenues so long as the NFL team pays “commercially reasonable rent”, which the parties agree to be rent equal to or exceeding 8% of the total revenue received by the NFL team from the sale of admission tickets to each

game played at the Coliseum. In the event rent paid to USC is below the rate of “commercially reasonable rent” due to other concessions negotiated with the NFL team, such rent shall be imputed as income for the purposes of calculating Coliseum-related revenues during the term of the NFL team sublease.

- (d) USC and the Commission will consult and cooperate with respect to the booking of Commission Events prior to the commencement date of the revised lease term provided in Section 2(a) above for dates scheduled after such commencement date.
- (e) USC will make the Coliseum available for Events related to any Olympics and the 2015 International Special Olympics hosted in Los Angeles, subject to the negotiation of costs, required modifications to the Premises (including the temporary re-installation of track and field facilities), restoration of the Premises after the Olympic games by the relevant organizing committee, and other business issues.
- (f) USC will have authority over all “film shoot” activities inside or on the Premises, and shall work with the Office of Exposition Park Management regarding the scheduling of such activities not only at the Coliseum but also throughout Exposition Park, including the fees to be charged for such activities. Among the fees to be charged for such activities shall be a “backdrop” fee if the proposed “film shoot” activity occurs on other properties in Exposition Park that are not covered by the Amended Lease but depict the Coliseum in the background.
- (g) USC will make the Coliseum available for Super Bowl L.

8. **Existing Employees:** USC will retain (at not less than existing salary levels in effect as of the date of the execution of the Amended Lease and identified in an exhibit to the Amended Lease) the Coliseum salaried employees employed by the Commission as of November 1, 2011. Except to the extent any employee is terminated for cause, such employment shall continue for a period ending not sooner than the later of six months after the commencement of the revised lease term or December 31, 2012, subject to further discussions regarding the job performance of such employees. Similarly, USC agrees to retain, on the same basis as described above, the full-time hourly employees employed by the Commission as of November 1, 2011 for custodial or other facility activities. USC will not be required to continue to fund pensions to any Commission benefit plans for any retained employees.

9. **On-Going Role of Commission:**

- (a) Commission will receive ninety (90) complimentary tickets to USC games (a 50% reduction in the number of complimentary tickets to which the Commission is currently entitled under the Existing Lease), including access for USC games to a hospitality area to be designated by USC. USC will use good faith efforts to negotiate an allocation of complimentary tickets to NFL games in the event of an NFL sublease.

- (b) The Commission will have approval rights over alterations that (i) materially affect the exterior structure or appearance of the Coliseum, or its historical significance, (ii) reduce the minimum seating capacity below 80,000 seats (except that such 80,000 seating capacity threshold may be reduced to as low as 70,000 seats to the extent necessary to satisfy ADA or fire life safety requirements or to accommodate hospitality amenities), (iii) are structural in nature, or (iv) affect the physical structure of the peristyle or affect the 1932 and 1984 Olympic displays.
 - (c) USC shall provide a written information report on a semi-annual basis to the Commission regarding: (i) all Event operations, both completed and planned Events; (ii) capital repair or improvement projects either underway or proposed in the following twelve-month period pursuant to Section 5 above; and (iii) revenue, operating expense and capital improvement and repair cost reports in furtherance of the provisions of Section 4(d) above. USC shall deliver to the Commission annual financial statements relating to the operation, maintenance, repair and improvement of the Premises.
 - (d) The Commission shall provide to USC on a quarterly basis a written information report regarding issues, if any, identified by the other entities in Exposition Park or other governmental or community organizations regarding the operation of the Premises by USC.
 - (e) USC will provide the Commission with the use of appropriate office space for one (1) Commission employee, and suitable meeting room space as needed for Commission public meetings.
 - (f) USC agrees that the Commission shall have the responsibility for the consideration and decisions regarding future inductees to the Coliseum Memorial Court of Honor. Unless otherwise approved by USC, which approval shall not be unreasonably withheld, conditioned or delayed, inductees to the Coliseum Memorial Court of Honor must have made a significant nationally recognized contribution to the Coliseum or the Sports Arena through positive athletic participation, or a positive contribution to the historic significance of the Coliseum or the Sports Arena. The plaques located in the Court of Honor will not be disturbed except for cleaning, upkeep and repair. Any repair costs for the Court of Honor shall be reasonably approved and funded by USC from the capital reserve described in Section 5 above.
 - (g) USC and the Commission will collaborate on the development and maintenance of an appropriate area and/or web-site for the display of photographs, memorabilia and other items depicting past Coliseum events.
 - (h) USC and the Commission will cooperate in the transition of Coliseum operations from Commission control to USC control.
10. **Liquor License**: Subject to applicable legal requirements, at the request of USC, the Commission will transfer (or cause to be transferred) to USC on mutually acceptable terms the existing liquor licenses held by the Commission and/or Coliseum Association, Inc.

11. Advertising and Signage:

- (a) USC will have the right to install advertising and signage within and on the exterior of the Coliseum without Commission approval.
- (b) All signage shall be in compliance with the Coliseum Special District Plan for signage adopted by the City in 2009, as such plan may be amended from time to time; provided, however, that the Commission shall not request such an amendment that would affect USC's rights, without USC's reasonable consent.
- (c) The existing name "Los Angeles Memorial Coliseum" and the Olympic rings shall remain in its current format and location on the outside face of the peristyle under the torch until such time as the name of the Coliseum is changed. At any such time as the name of the Coliseum is changed, the location of the display of such name may be altered in a manner reasonably approved by the Commission pursuant to Section 9(b), provided that the words "Memorial Coliseum" shall continue to be displayed in a manner no less prominent than the remaining words in the Coliseum name.
- (d) The display of the naming atop the west video board shall be limited to 6-foot high letters atop the video board.
- (e) Specific agreed upon categories of products or services (e.g. tobacco products) to be prohibited from advertising or signage on the Premises.
- (f) USC-related logos, marks or information shall be permitted for display on the exterior of the Coliseum on a year-round basis.
- (g) USC shall have the right to use all current and future trademarks related to the Coliseum, subject to (i) the payment by USC of a royalty in an amount to be set forth in the Amended Lease for the use of such trademarks in connection with the sale of certain merchandise; and (ii) the reservation by the Commission of the rights to use such trademarks for the Commission's own non-commercial purposes.
- (h) Unless otherwise required by applicable law, USC shall not have the right to demolish or alter the 110 Freeway sign without the Commission's approval, which approval shall not be unreasonably withheld, conditioned or delayed.
- (i) Revenues from permanent signage (as defined by applicable City of Los Angeles ordinances) will be included in Coliseum-related revenues for the purposes of Section 4(d). Revenues from temporary signage (as defined by applicable ordinances) and from digital advertising during events will not be included in Coliseum-related revenues.

12. Sports Arena:

- (a) The Commission will sublease the Sports Arena and associated property to USC and USC will assume all obligations of the Commission under the District Sports Arena Lease.

- (b) USC shall have the right, but not the obligation, to demolish the Sports Arena provided that the existing improvements are replaced with improvements that are permitted by applicable land use requirements, and that are consistent with the public benefit requirements of the Sports Arena District Lease. Subject to the foregoing, and subject to the Commission's approval, which approval shall not be unreasonably withheld, conditioned or delayed, USC shall have the right to determine the manner in which the Sports Arena site is redeveloped. Notwithstanding the foregoing, the parties agree that use of the Sports Arena site for a soccer stadium, sports training facilities and/or playing fields, museum, or amphitheater or other similar event space are pre-approved uses of the Sports Arena site, provided that such improvements are operated in a manner consistent with the public benefit requirements of the District Lease. USC acknowledges the completion of the Final Environmental Impact Report for the Redevelopment of the Los Angeles Memorial Sports Arena dated January 21, 2011.
- (c) Additionally, prior to or in lieu of redevelopment, if USC reasonably determines that it is not cost effective to operate the Sports Arena, USC shall have the right upon 180 days prior written notice to the Coliseum (except in the case of a force majeure event, in which case no notice is required), to cease all operation in the Sports Arena, provided that the facility is secured and the appearance of the exterior is maintained in substantially the same condition as received from the Commission to avoid blight, disrepair or deterioration. In such event, USC shall use commercially reasonable efforts to make the Galen Center available for community public benefit events, subject to priority for use by USC, and consistent with USC's current efforts to accommodate community events. Notwithstanding the foregoing, USC shall not have the right to cease operation of the Sports Arena prior to April 1, 2014 (except for redevelopment purposes). If thereafter USC ceases operation of the Sports Arena (except for redevelopment purposes), then the Commission shall have the right to terminate the Amended Lease with respect to the Sports Arena property.

13. Standard of Maintenance and Repair:

- (a) USC shall maintain and repair the Coliseum-related property in accordance with a standard of maintenance and repair commensurate with that generally applicable as of the date of the Amended Lease to the buildings and improvements located on the USC campus.
- (b) Prior to any redevelopment of the Sports Arena property, and during any continuing period of operation, USC shall maintain and repair the Sports Arena property in the substantially the same condition as received from the Commission and in compliance with applicable laws; provided, however, that following any cessation of operation of the Sports Arena property, the standard of maintenance and repair shall be as set forth in Section 12(c) above. After redevelopment of the Sports Arena property, the Sports Arena property shall be maintained and repaired by USC in good order, condition and repair.

14. Other District Related Matters: The Commission acknowledges that USC intends to approach the District regarding a direct lease of the Premises after the

expiration of the Amended Lease, as well as additional parking for events at the Coliseum, and USC agrees to periodically inform the Commission regarding the status of those negotiations. As a condition to the execution of the Amended Lease, USC will require a non-disturbance agreement from the District in form reasonably satisfactory to USC.

15. **Non-Binding**: This Term Sheet is only an outline of major provisions to be included in an Amended Lease and does not include all material terms and provisions to be set forth in any Amended Lease. This Term Sheet is not a legally binding agreement to enter any Amended Lease nor an enforceable commitment to otherwise modify the Existing Lease. Neither the Commission nor USC shall be legally bound to proceed with the matters referenced in this Term Sheet except as set forth in a definitive Amended Lease that is prepared and presented for consideration by the Commission and USC, and, if approved by the Commission and USC, fully executed and delivered by both parties.

SCHEDULE 5

CAPITAL IMPROVEMENTS

<p>Projects to begin not later than April 1, 2014 Projects to be completed by December 31, 2021</p>

Category 1 (28 projects)

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|---|-------------|
| • General Structure/Perimeter | 25 projects |
| • Locker Rooms (if not full reconstruction) | 3 projects |

USC shall be required to complete the capital improvements listed in Category 1, provided that some Category 1 projects may be subsumed within or obviated by a more comprehensive project (e.g. cold box refrigeration replaced with ice machines), or may be replaced by a substantial alternative project approved by the Commission, which approval shall not be unreasonably withheld, conditioned or delayed.

Category 2 (45 projects)

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| • Group A – Stadium Seating | 2 projects |
| • Group B – Fire/Life Safety and ADA-related | 14 projects |
| • Group C – General Structure/Perimeter | 22 projects |
| • Locker Rooms (if not full reconstruction) | 7 projects |

USC shall be required to complete the capital improvements listed in Category 2, provided that, within each subcategory of these Category 2 projects, USC may replace the listed projects with other replacement projects that are of equal or greater expense intended to generate revenue and/or provide public amenities.

**SCHEDULE for SECTION 5
CAPITAL PROJECTS**

CATEGORY 1

ISES Project #	Project Title	Category	Type
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GENERAL

1.	62	Improvements to yard paving	Operations	Site
2.	52	Concession stand food service equipment upgrades	Operations	Interior
3.	48	Replace switchgear assemblies	Operations	Electrical
4.	20	Fire alarm system replacement and extension	Operations	Fire/Life Safety
5.	13	Standard built-up roof replacement	Operations	Exterior
6.	59	Restoration of athletic field turf and drainage	Operations	Site
7.	31	Exterior coliseum façade cleaning	Operations	Exterior
8.	1	Overhead Concrete spalling repair work	Operations	Fire/Life Safety
9.	47	Replace and add yard level lighting	Operations	Electrical
10.	26	Cold box refrigeration system replacement-concourse	Operations	Health
11.	23	Replace sprinkler heads- concourse and press box	Operations	Fire/Life Safety
12.	69	Kitchen ventilation system replacement commissary	Operations	HVAC
13.	38	Replace HVAC Systems- peristyle offices	Operations	HVAC
14.	25	Cold box refrigeration system replacement-yard level	Operations	Health
15.	54	Replace sewage ejectors	Operations	Plumbing
16.	22	Fire alarm system replacement-press box	Operations	Fire/Life Safety
17.	44	Selective electrical system repairs	Operations	Electrical
18.	57	Selective drain piping replacement	Operations	Plumbing
19.	64	Fire pump replacement	Operations	Fire/Life Safety
20.	68	Exhaust fan replacement-commissary	Operations	HVAC
21.	56	Selective water supply piping replacement	Operations	Plumbing
22.	5	Install exit signs	Police Station	Fire/Life Safety
23.	72	Replace domestic water booster system	Operations	Plumbing
24.	21	Replace exit signs- concourse and press box	Operations	Fire/Life Safety
25.	65	Cold box refrigeration sys replacement-commissary	Operations	Health

LOCKER ROOMS - RELATED (IF NOT FULL RECONSTRUCTION)

1.	51	Interior finish restorations-Coliseum interiors	Locker Rooms	Interior
2.	15	Repair retaining walls at tunnel service drive	Locker Rooms	Site
3.	12	Selective structural repairs to facility	Locker Rooms	Exterior

**SCHEDULE for SECTION 5
CAPITAL PROJECTS**

CATEGORY 2

ISES Project #	Project Title	Category	Type
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GROUP "A" - STADIUM SEATING

1.	66	Stadium seating upgrades and replacements	Seats	Exterior
2.	30	Stadium seating area concrete substrate repairs	Seats	Exterior

GROUP "B" - FIRE/LIFE SAFETY & ADA-RELATED

1.	18	Concourse egress stair reconstruction work	TBD	Fire/Life Safety
2.	19	Enhance stadium egress pathways	TBD	Fire/Life Safety
3.	3	Exterior emergency egress and directional signage	Operations	Fire/Life Safety
4.	6	Fire sprinkler system installation	Operations	Fire/Life Safety
5.	4	Compromised egress paths and fire compartmentalization	Operations	Fire/Life Safety
6.	16	Replace self-illuminating exit signs	Operations	Fire/Life Safety
7.	2	Handrail improvements in stadium seating areas	Operations	Fire/Life Safety

8.	27	Stadium seating vertical access improvements	TBD	Handicapped Access
9.	8	Install wheelchair lift at PB tiered seating	TBD	Handicapped Access
10.	10	Modify restrooms for handicapped accessibility	TBD	Handicapped Access
11.	9	Accessible parking space improvements	Operations	Handicapped Access
12.	11	Accessibility upgrade for counters and kitchen unit	TBD	Handicapped Access
13.	28	Interior and exterior ADA signage upgrades	Operations	Handicapped Access
14.	29	Upgrade interior stair handrails	Operations	Handicapped Access

**SCHEDULE for SECTION 5
CAPITAL PROJECTS**

CATEGORY 2

ISES Project #	Project Title	Category	Type
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GROUP "C" - GENERAL

1.	49	Selective interior lighting system upgrades	Operations	Electrical
2.	45	Upgrade electrical distribution-police bldg	Police Station	Electrical
3.	71	Interior lighting upgrade-commissary	Operations	Electrical

4.	32	Concourse , torch, tunnel cleaning and repainting	Operations	Exterior
5.	33	Selective exterior window and door upgrades	Operations	Exterior
6.	34	Outbuilding cleaning and repainting	Operations	Exterior

7.	24	Environmental mitigation issues	TBD	Health
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8.	39	Exhaust fan replacement-concourse and press +box	Operations	HVAC
9.	37	Selective exhaust fan replacement- yard level	Operations	HVAC
10.	36	Install HVAC systems-police building	Police Station	HVAC
11.	42	Warehouse ventilation system	Operations	HVAC
12.	40	Replace split DX system serving press box	Operations	HVAC
13.	70	Swamp cooler replacement	Operations	HVAC

14.	53	Major interior upgrade to west building	Police Station	Interior
15.	50	interior finishes restoration-outbuildings	Operations	Interior

16.	14	Install automatic flush valves and faucets	Operations	Plumbing
17.	73	Water heater replacement-yard concessions, offices	Operations	Plumbing
18.	58	Water heater replacement-concourse level	Operations	Plumbing
19.	55	Water heater replacement-press box, yard restrooms	Operations	Plumbing

20.	61	General security system upgrades	TBD	Site
21.	60	Ornamental landscaping restoration	Operations	Site

22.	63	Comprehensive freight elevator modernization	Police Station	Vertical Transport
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LOCKER ROOMS - RELATED (IF NOT FULL RECONSTRUCTION)

1.	7	Fire alarm system replacement-lower level	Locker Rooms	Fire/Life Safety
2.	17	Replace sprinkler heads-lower level	Locker Rooms	Fire/Life Safety
3.	46	Interior lighting upgrade-lower level, police bldg	Locker Rooms	Electrical
4.	43	Replace lower level switchgear	Locker Rooms	Electrical
5.	67	HVAC system replacement-locker rooms	Locker Rooms	HVAC
6.	35	Replace air-cooled chiller serving locker room	Locker Rooms	HVAC
7.	41	Replace split DX systems serving lower level	Locker Rooms	HVAC