

**TERM SHEET**  
**USC – California Science Center Master Parking Lease**

**Landlord:** Sixth District Agricultural Association, commonly known as the California Science Center (“**CSC**”)

**Tenant:** University of Southern California, a non-profit corporation (“**USC**”)

**Premises:** The parking lots commonly referred to as Lots 1, 1a, 2, 3, 4, 5, and 6 in Exposition Park or portions thereof owned or controlled by CSC (“**Premises**”).

**Term:** The Term and renewal options of the Parking Lease shall be coterminous with the USC Lease with the Los Angeles Memorial Coliseum Commission and the New Lease as provided for in the Lease Option Agreement, if USC exercises the Option (“**Term**”). Notwithstanding the foregoing, (a) in the event that USC is no longer leasing the Los Angeles Memorial Coliseum on a long-term basis, this lease may be terminated by either party upon 180-days prior notice; and (b) in its sole and absolute discretion, USC may terminate this lease without cause upon 1-year prior notice.

**Use:** USC recognizes the importance of collaborating and cooperating with all entities in Exposition Park regarding the scheduling of events that require use of the majority of the parking facilities in Exposition Park and USC is committed to such collaboration and cooperation. Subject only to the documented rights of other entities in Exposition Park, such as the Natural History Museum and the City of Los Angeles, to have a certain number of parking spaces preserved for their use on certain days or at certain times, USC will have the exclusive right to use, manage and operate the Premises solely for parking purposes and events (“collectively, “**Events**”) including, without limitation, USC football games (“**USC Games**”).

USC shall be permitted to make, but shall not be required to make, any improvements or modifications to the Premises that comply with the Exposition Park Master Plan (1992) (“**Master Plan**”). Except as expressly set forth herein to the contrary, in the event USC elects, in its sole and absolute discretion, to make modifications or improvements to the Premises that vary from the Master Plan, or that consist of the construction of a structure on the Premises, USC shall be required to first obtain the consent of the CSC, the Department of General Services (“**DGS**”), and the Natural Resources Agency, which consent may be given or withheld in such entity’s sole and absolute discretion. If USC elects to proceed with improvements or modifications in compliance with the Master Plan and such improvements or modifications reduce the number of parking spaces in the Premises, USC’s rent shall be

**TERM SHEET**  
**USC – California Science Center Master Parking Lease**

reduced proportionately based on the number of parking spaces removed.

Except as expressly set forth herein to the contrary, all surface parking lots that are a part of the Premises shall remain surface parking lots, except to the extent improvements or modifications are permitted in accordance with the preceding paragraph. Except as expressly set forth herein to the contrary, in the event USC elects, in its sole and absolute discretion, to construct other buildings or parking structures on the Premises, USC must first obtain the consent of the CSC, DGS and the Natural Resources Agency, which may be given or withheld in such entity's sole and absolute discretion. As a condition of approval of any new building or structure where approval is required, the District, DGS and/or the Natural Resources Agency may require revisions to the Lease terms to account for such increased use of the Premises, including revisions to the rent provisions.

USC is not permitted to sublet the Premises (other than in conjunction with providing parking and space for events) without approval from CSC, DGS and the Natural Resources Agency.

USC will operate Lot 3 in a manner that will not unreasonably impact persons visiting other Park Entities. The parties acknowledge and agree that the way that Lot 3 is operated as of the Commencement Date of this Lease meets the requirements of the preceding sentence.

CSC and USC shall periodically review the parking needs of the entities within Exposition Park and work cooperatively to address those needs. In the event CSC determines that additional open space is needed within the Premises, CSC and USC shall meet and confer to address CSC's parking needs and just compensation to USC for any resulting reduction in parking spaces. The outcome of the meet-and-confer process shall have no effect on CSC's ability to exercise its eminent domain powers.

Notwithstanding anything contained herein to the contrary, in the event USC elects to redevelop the Sports Arena site as a soccer stadium and the improvements encroach, in part, onto Lot 6, such encroachment and such development (i) shall not be deemed a violation of this Agreement; (ii) shall not trigger any revisions to the Lease terms; and (iii) shall require no further approvals by CSC, DGS or Natural Resources Agency other than those required in the USC/Sports Arena Lease or are otherwise required by law. In the event any parking spaces are removed from Lot 6 as a result of the encroachment of a soccer stadium structure, USC shall continue to be obligated to pay the Base Rent stated herein despite such reduction in parking spaces.

**TERM SHEET**  
**USC – California Science Center Master Parking Lease**

**School Buses:** Throughout the Term, USC shall make space available within Parking Lot 6 for the parking of school buses and similar vehicles accommodating K-12 school field trips to the California Science Center and the African American Museum at a level that is equal to the highest volume needed to accommodate K-12 field trips within the past five years. Such space shall be made available at the same cost it was previously provided (\$25 per bus, \$10 per LAUSD bus), to be increased by the same percentage that parking rates for the Premises are increased. If Parking Lot 6 is unavailable due to an event occurring in the Sports Arena or the Coliseum on the date that school bus parking is requested, USC shall accommodate the school bus parking on other parking lots and the parties shall use commercially reasonable efforts to identify the location of the alternative parking facilities either within Exposition Park or on the USC campus taking into account other uses of alternative parking facilities and the accessibility of the alternative location to the Science Center or the African American Museum as applicable.

**Charity Events:** USC shall make portions of the Premises available to provide space for up to twelve (12) events each calendar year that are held by 501(c)(3) non-profit charitable entities for community related events (e.g. backpack give aways for K-12 children, free health care clinics). The number of events to be determined based on prior data regarding similar events that were not charged for use of the Premises.

**Rent:** USC shall pay base rent in an amount equal to \$\_\_\_\_\_ (“**Base Rent**”).

Base Rent shall be increased every five (5) years by the amount of any increase in the CPI (Consumer Price Index – All Urban Consumers, <http://data.bls.gov/cgi-bin/surveymost>) with the starting index value being the month and year in which the Lease is dated. The cumulative increase is not to exceed 15% over any five-year period. Additionally, to the extent that USC generates net income from the operation of the Premises in excess of (i) Base Rent; plus (ii) actual operating costs up to a maximum of 45% of gross income (“Excess Revenue”), USC shall pay to CSC an amount equal to fifty percent (50%) of the Excess Revenue as additional rent (“Additional Rent”). This calculation will be submitted to the Exposition Park Manager within 3 months of the end of each fiscal year (ending June 30<sup>th</sup>).

In consideration of the fact that USC intends to utilize these parking lots for its constituents in addition to the current use, USC agrees to the following terms in calculating the Excess Revenue. Solely for purposes of determining Excess Revenues, for USC sponsored events in Exposition Park (such as USC NCAA football games, USC graduations, USC NCAA soccer games, etc.), and for daily and monthly parking

## TERM SHEET

### USC – California Science Center Master Parking Lease

sales to USC students, faculty, staff and visitors, USC shall either (a) charge no less than (i) \$25 per space for events with expected attendance in excess of 25,000 guests; (ii) \$10 per space for events with expected attendance of less than 25,000 guests; (iii) the published rate charged for off-campus daily parking at USC's UPC Parking Center for daily parking to USC students, faculty, staff, and visitors (currently \$7); and (iv) the published rate charged for off-campus monthly parking at USC's UPC Parking Center for monthly permits sold to USC faculty, staff, and visitors (currently \$51); or (b) be imputed to have charged the amounts set forth in Subsection (a) above. All daily, monthly, and event parking shall be included in the Excess Revenue calculation. The rates established for USC sponsored events shall be evaluated periodically by the parties to ensure that they remain comparable to the rates charged for similar events by competing venues, such as the Rose Bowl, the Home Depot Center, and Dodgers Stadium.

CSC/DGS shall have the right to audit USC's books and records with respect to the operation of the Premises during the term of the Lease, provided however, that such right may not be exercised more than once in each 12 month period. In the event that any audit determines that USC has underpaid the Additional Rent, USC shall within thirty day of such audit, pay any amounts owed unless USC disputes the findings of CSC/DGS, in which case the parties shall meet and confer to resolve the dispute in good faith. If the parties are unable to resolve the dispute, the parties may mutually agree to submit the dispute to an alternative dispute resolution procedure or pursue all rights and remedies available to each of them in law or in equity. In the event that any audit determines that USC has overpaid the Additional Rent, USC may offset any overpayment from subsequent payments of Base Rent.

#### **Maintenance:**

USC will maintain the Premises in compliance with laws and in good order, condition and repair (subject to normal wear and tear, and events of casualty and force majeure). USC shall be responsible for providing, at its sole cost and expense, all landscaping, maintenance and security services to the Premises throughout the Term. To the extent that CSC or the Office of Exposition Park Management has an agreement in place to provide such landscaping services to the Premises for a short time period at the beginning of the Term, USC shall reimburse CSC or the Office of Exposition Park Management for the cost of the contract applicable to the Premises until such time as the contract expires or may be terminated by the State, whichever occurs first. USC shall offer employment for at least six months to Landlord's employees who are displaced as a result of this lease at existing salary levels as of the effective date of the Lease. Notwithstanding the foregoing, any employees retained by USC as part of this agreement may be terminated for cause prior to the expiration of said six month period.

**TERM SHEET**  
**USC – California Science Center Master Parking Lease**

**Landscaping:** The Science Center may require USC to provide landscape maintenance services for the Park's common areas. If so, then upon termination or cancellation of the current contract for such services, USC shall provide landscape maintenance services to the Exposition Park common areas at a rate of \$507,000 per year. Such rate shall be increased annually at the same rate that the CPI increases each year. USC shall maintain the landscaping within Exposition Park at its current level, but shall endeavor to improve the landscaping to be commensurate with the landscaping on USC's core campus within five years.

**Advertising:** USC can designate the type, content, location and size of advertisements on all parts of the Premises, to the extent permitted by law and provided that such advertisement complies with the sign ordinance adopted by the City of Los Angeles and applicable to Expo Park, such compliance to be confirmed by the Department General Services. In the event that USC elects to erect signage on the Premises that is not in accordance with the sign ordinance in effect as of the date of this agreement, such additional signage will require approval by the Department of General Services, such approval not to be unreasonably withheld. Any revenue generated from advertisements located on the Premises shall be considered part of net income generated from the Premises.

**Alterations:** Except as expressly provided herein, USC shall not be permitted to construct academic or administrative buildings, residential structures, or any other structures on the Premises without consent of CSC, DGS and Natural Resources Agency, which may be withheld in each agency's sole and absolute discretion.