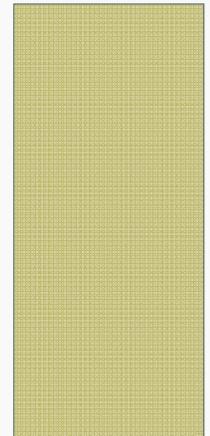


ENTERTAINMENT AND SPORTS COMPLEX

PREDEVELOPMENT AGREEMENTS

APRIL 3, 2012



TERM SHEET PROVISIONS FOR PREDEVELOPMENT FUNDING

Pre- Development Expenses

The City shall fund 50% and the Kings and AEG shall each fund 25% of predevelopment expenses. The identification and schedule for pre-development expenses shall be determined in the pre-development agreement to be entered into by the parties by April 3, 2012. In the event the ESC is not developed for any reason other than the fault of AEG, the Kings shall reimburse AEG for its pre-development expense payments on a schedule to be determined.

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TERM SHEET PROVISIONS FOR PREDEVELOPMENT FUNDING

City:	\$ 6.5	million
AEG:	\$ 3.25	million
<u>Kings:</u>	<u>\$ 3.25</u>	<u>million</u>
Total:	\$13.0	million

RECOMMENDATIONS

- 1) Approve the staff recommendations including the Predevelopment Funding Agreement per the Term Sheet. Meet the City commitment to approve the Predevelopment Funding Agreement by April 3, 2012.
- 2) Authorize the City Manager to execute and implement the Predevelopment Funding Agreement after the Kings and AEG sign the agreement and deposit their predevelopment funding contributions.
- 3) Accept from the NBA \$200,000 to pay for all expenses contemplated under the Predevelopment Funding Agreement from April 3, 2012 to April 17, 2012. No City PDFFA expenditures.
 - City Manager enter into contracts with expenses not to exceed \$200,000:
 - ICON Venue Group (Populous): Site design assistance and facility programming
 - AECOM: Site planning and CEQA
 - Fehr and Peers: Traffic studies for site planning and CEQA
- 4) In the event actions PDFFA execution and deposits do not occur by April 17, 2012, direct the City Manager to cease all PDA related work.

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