

CRA/LA, A DESIGNATED LOCAL AUTHORITY
(Successor Agency to the Community Redevelopment Agency of the City of Los Angeles, CA)

MEMORANDUM

S1

DATE: NOVEMBER 3, 2016

TO: GOVERNING BOARD

FROM: STEVE VALENZUELA, CHIEF EXECUTIVE OFFICER

STAFF: BARRON MCCOY, CHIEF OPERATING OFFICER

SUBJECT: EASEMENT AGREEMENT – PARKING GARAGE AND PLAZA. Authorization for the Chief Executive Officer to negotiate and execute an Easement Agreement granting a non-exclusive access easement and an exclusive easement for the placement of an ADA accessible elevator over a portion of Parcel IIC to The Broad, in conjunction with the sale of the Public Plaza and Parking Garage, located at 223 S. Grand Avenue and 620 W. 2nd Street, respectively, to the Broad.

RECOMMENDATION

That the Governing Board authorize the Chief Executive Office, subject to Oversight Board approval, to negotiate and execute an Easement Agreement granting a non-exclusive access easement and an exclusive easement for the placement of an ADA accessible elevator over a portion of Parcel IIC to The Broad, in conjunction with the sale of the Public Plaza and Parking Garage, located at 223 S. Grand Avenue and 620 W. 2nd Street, respectively, to The Broad.

SUMMARY

On October 6, 2016 and October 13, 2016, the Governing Board and Oversight Board, respectively, approved the sale of the parking garage and public plaza to The Broad (Broad). Before the escrow closes, Broad has requested that CRA/LA execute an Easement Agreement granting a non-exclusive access easement and an exclusive easement for the ADA accessible elevator that was constructed over a portion of Parcel IIC. Parcel IIC is owned by CRA/LA, and is an air rights parcel situated directly above a portion of the Parking Garage located at 620 W. 2nd Street. Parcel IIC is undeveloped, except for the elevator enclosure and a concrete walkway from the elevator to the plaza. The elevator was required by the City Building Code for egress and ingress to the Public Plaza. Also, the elevator and walkway provide ADA access from Hope Street to the Public Plaza. To access the Public Plaza, individuals must cross Parcel IIC. Parcel IIC is subject to a Disposition and Development Agreement between the Los Angeles Grand Avenue Authority and Grand Avenue L.A., LLC (an affiliate of the Related Companies).

CRA/LA and Broad are negotiating an easement agreement to address the elevator and walkway required to allow access to the Public Plaza from Hope Street. The recommended action would authorize the Chief Executive Officer to finalize and execute an easement

agreement, substantially in the form attached, to facilitate the disposition of the Parking Garage and Public Plaza transaction. The consent of Grand Avenue L.A., LLC would be required to the easement agreement, and Grand Avenue L.A. has provided written communication in support of the easement agreement.

PREVIOUS ACTIONS

October 13, 2016 – Oversight Board approved the 3rd Amendment to the Parking Facility and Museum Development Agreement, effectuating the direct sale of the Parking Garage and Public Plaza to Broad.

October 6, 2016 – Governing Board approved the 3rd Amendment to the Parking Facility and Museum Development Agreement, effectuating the direct sale of the Parking Garage and Public Plaza to Broad.

DISCUSSION & BACKGROUND

In 2010, CRA/LA and Broad entered into the Parking Facility and Museum Development Agreement for the Development of the Broad Museum, the parking garage and the public plaza located adjacent to the museum. The construction of the museum, parking garage, and public plaza was completed in 2015. In 2016, Broad exercised its option to put the garage and plaza to CRA/LA, which required CRA/LA to purchase the assets. CRA/LA acquired the garage and plaza from Broad on April 26, 2016.

Prior to the marketing of the garage and plaza for disposition, and as part of the winding down process, Broad requested that CRA/LA directly sell the garage and plaza to Broad. The Broad agreed to purchase the garage and plaza for its appraised value, plus a 15% premium. The 3rd Amendment to the Parking Facility and Museum Development Agreement, approved by the Governing Board, the Oversight Board, and DOF, effectuates the direct sale of the garage and plaza to Broad.

To provide ADA access to the public plaza via Hope Street, an elevator and walkway was constructed on Parcel IIC, which is not part of the garage and plaza. CRA/LA and Broad are negotiating an easement agreement providing for ADA access to the public plaza. To facilitate the closing of the Garage and Public Plaza escrow, staff is requesting authorization for the Chief Executive Officer to finalize and execute an easement agreement, substantially in the form of the attached easement agreement.

SOURCE OF FUNDS

No funding is being requested for this item.

ROPS AND ADMINISTRATIVE BUDGET IMPACT

There is no ROPS impact anticipated with this action. There is no impact on the Administrative Budget associated with this action.

ENVIRONMENTAL REVIEW

This proposed action does not constitute a Project pursuant to the California Environmental Quality Act (CEQA).

By:



Steve Valenzuela
Chief Executive Officer

There is no conflict of interest known to me which exists with regard to any CRA/LA officer or employee concerning this action.

ATTACHMENTS

- Attachment A – Form of Easement Agreement
- Attachment B – Letter from Grand Avenue L.A., LLC

ATTACHMENT A

Recording Requested by:

CRA/LA, a Designated Local Authority
448 South Hill Street, Suite 1200
Los Angeles, California 90013

After recordation mail to and
mail tax statements to:

The Broad
2121 Avenue of the Stars, Suite 3000
Los Angeles, CA 90067
Attn: General Counsel

(SPACE ABOVE FOR RECORDER'S USE ONLY)

THIS DOCUMENT IS EXEMPT FROM RECORDING FEES
PURSUANT TO GOVERNMENT CODE SECTION 27383

ASSESSOR'S PARCEL NUMBER(S): 5151-004-001 &
5151-004-918

THIS DOCUMENT IS EXEMPT FROM DOCUMENTARY
TRANSFER TAX PURSUANT TO REVENUE &
TAXATION CODE SECTION 11922

**EASEMENT AGREEMENT WITH COVENANTS,
CONDITIONS AND RESTRICTIONS
(PLAZA ELEVATOR)**

THIS EASEMENT AGREEMENT WITH COVENANTS, CONDITIONS AND RESTRICTIONS (the “**Agreement**”) is made and entered into as of November ____, 2016, by and between CRA/LA, a Designated Local Authority (“**CRA/LA**”), and its successors and assigns, in its capacity as the owner of fee title to Parcel IIC, as defined below (the “**Parcel IIC Owner**”), and The Broad, a California nonprofit public benefit corporation (“**Broad**”). CRA/LA and Broad are collectively referred to herein as the “**Parties**” or individually as a “**Party**”.

RECITALS

A. The Parcel IIC Owner is the owner of fee title to certain real property, referred to herein as “**Parcel IIC**” and legally described on Exhibit A hereto. Parcel IIC is an air rights parcel situated directly above a portion of the parking garage located at 620 2nd Street, Los Angeles, California 90012 (the “**Parking Garage**”). Parcel IIC is undeveloped except for an elevator enclosure (the “**ADA Elevator Enclosure**”) and concrete walkway, which are the subject of this Agreement, and a guardrail to keep the public off the remainder of Parcel IIC. The elevator enclosure houses an elevator that passes through and is predominantly located within the Parking Garage. The elevator and pedestrian walkway from the elevator enclosure to the Public Plaza (as defined below) provide Americans with Disabilities Act (“**ADA**”) access

from Hope Street to a public plaza adjacent to Parcel IIC (together, the elevator enclosure and concrete walkway are referenced herein as the “**ADA Elevator Enclosure and Walkway**”).

B. CRA/LA owns the Parking Garage and Public Plaza, CRA/LA has agreed to sell to Broad, and Broad has agreed to purchase from CRA/LA, the Parking Garage and Public Plaza concurrently with the Effective Date of this Agreement.

B. Broad is the owner and operator of The Broad museum, located at 221 South Grand Avenue in downtown Los Angeles (the “**Museum**”). Broad constructed a “**Public Plaza**” on certain real property adjacent to the Museum and Parcel IIC and extending between Grand Avenue and Hope Street, as legally described in Exhibit B hereto. The construction and occupancy permits for the Public Plaza were granted contingent upon the construction and operation of the ADA Elevator Enclosure and Walkway. Because the Public Plaza is located above the public right of way (General Thaddeus Kosciuszko Way and the abutting street and sidewalks), the ADA Elevator could not be built on the Public Plaza Parcel. The former Community Redevelopment Agency of Los Angeles (the predecessor agency to CRA/LA) and GALA (as defined below) participated with Broad in the decision to place the ADA Elevator and Walkway on Parcel IIC and reviewed and approved the permitted drawings for both the Public Plaza and the ADA Elevator Enclosure and Walkway prior to the issuance of construction permits.C. Parcel IIC’s development is subject to the terms of the DDA (as defined below), which provides Grand Avenue L.A., LLC, a Delaware limited liability company (“**GALA**”), with certain rights to develop thereon. Pursuant to Section 210 of the DDA, CRA/LA may be required to obtain GALA's written consent to any new material easement affecting Parcel IIC, and the Parties acknowledge that GALA's written consent is required as a condition of entering into this Agreement. GALA's consent to this Agreement is evinced by the signature of its authorized representative set forth below.

D. The Los Angeles County Metropolitan Transportation Authority, a California county transportation authority existing under the authority of Sections 130050.2 et seq. of the California public utilities code, and its successors and assigns (“**LACMTA**”) is constructing a below-grade light rail station as part of LACMTA's Regional Connector transit project on certain real property located near the intersection of Hope Street and Second Place. LACMTA has designed and plans to construct a pedestrian bridge over Hope Street (the “**Pedestrian Bridge**”), providing access to transit patrons from the station to Grand Avenue through certain portions of Parcel IIC and the Public Plaza. In connection with the Regional Connector transit project, LACMTA is negotiating certain easements, including an easement to provide pedestrian access for transit patrons over certain portions of Parcel IIC to and from the Pedestrian Bridge and the Public Plaza (the “**LACMTA Pedestrian Easement Area**”), and to construct certain improvements in the easement area. A portion of the easement area sought by LACMTA overlaps with the easement for the ADA Elevator Enclosure and Walkway that is the subject of this Agreement, as illustrated in Exhibit C hereto.

F. In furtherance of the sale by CRA/LA to Broad described above, CRA/LA and Broad desire to formalize the easements upon Parcel IIC for the ADA Elevator Enclosure and Walkway on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in reliance upon the above Recitals and in consideration of the easements granted in this Agreement, the covenants, conditions and restrictions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by all the Parties, the Parties on behalf of themselves and their respective successors and assigns, covenant and agree as follows:

AGREEMENTS

1. Definitions. For purposes hereof:

1.1 The term “**ADA**” will have the meaning given in Recital A of this Agreement.

1.2 The term “**ADA Elevator Enclosure**” will have the meaning given in Recital A of this Agreement.

1.3 The term “**ADA Elevator Enclosure and Walkway**” will have the meaning given in Recital A of this Agreement.

1.4 The term “**ADA Elevator Enclosure and Walkway Easement Area**” will have the meaning given in Section 2.1(b) of this Agreement.

1.5 The term “**Agreement**” will have the meaning given in the first paragraph of this Agreement.

1.6 The term “**Broad**” will have the meaning given in the first paragraph of this Agreement.

1.7 The term “**Claims**” will mean all claims, demands, lawsuits, actions, causes of action, suits, penalties, fines, liabilities, damages, costs and expenses (including, without limitation, reasonable attorneys' fees and court costs).

1.8 The term “**CRA/LA**” will have the meaning given in the first paragraph of this Agreement.

1.9 The term “**DDA**” will mean that certain Disposition and Development Agreement (Grand Avenue) dated as of March 5, 2007, by and between GALA and the Los Angeles Grand Avenue Authority, as amended by the First Amendment to Disposition and Development Agreement (Grand Avenue) dated August 20, 2010, the Second Amendment to Disposition and Development Agreement (Grand Avenue) dated May 31, 2011, the Third Amendment to Disposition and Development Agreement (Grand Avenue) dated December 1, 2012 and Fourth Amendment to Disposition and Development Agreement (Grand Avenue) dated January 21, 2014.

1.10 The term “**Easements**” will mean those easements granted in Section 2 of this Agreement.

1.11 The term “**Effective Date**” will have the meaning given in Section 10.16 of this Agreement.

1.12 The term “**Force Majeure**” will have the meaning given in Section 10.19 of this Agreement.

1.13 The term “**GALA**” will have the meaning given in Recital C of this Agreement.

1.14 The term “**LACMTA**” will have the meaning given in Recital D of this Agreement.

1.15 The term “**Legal Requirements**” will have the meaning given in Section 10.18 of this Agreement.

1.16 The term “**Long-Term Ground Lease**” will mean a ground lease having an initial term of five (5) years or more, which assigns the Parcel IIC Owner's rights and obligations under this Agreement to the ground lessee during the term of such ground lease.

1.17 The term “**Mortgage**” will mean any mortgage, pledge, deed of trust or other instrument encumbering the leasehold or subleasehold interest of any Parcel in whole or in part, and any interests or rights appurtenant to such leasehold interest.

1.18 The term “**Mortgagee**” will mean the holder or beneficiary of any Mortgage.

1.19 The term “**Parcel**” will mean any or all of the parcels on which the Parking Garage or Public Plaza are located or Parcel IIC.

1.20 The term “**Parcel IIC**” will have the meaning given in Recital A of this Agreement.

1.21 The term “**LACMTA Pedestrian Easement Area**” will have the meaning given in Recital D of this Agreement.

1.22 The term “**Parcel IIC Improvements**” will mean any improvements that are subsequently constructed on Parcel IIC, which interim improvements may include, without limitation, a temporary plaza.

1.23 The term “**Parcel IIC Owner**” will mean the owner of fee title to Parcel IIC or the owner of a leasehold estate in Parcel IIC pursuant to a Long-Term Ground Lease.

1.24 The term “**Parking Garage**” will have the meaning given in Recital A of this Agreement.

1.25 The term “**Parking Garage Owner**” will mean the owner of fee title to the Parking Garage Parcel.

1.26 The term “**Parking Garage Parcel**” will mean the legal parcel upon which the Parking Garage is located.

1.27 The term “**Party**” or “**Parties**” will have the meaning given in the first paragraph of this Agreement, and will include any successors or assigns of any such entity.

1.28 The term “**Pedestrian Bridge**” will have the meaning given in Recital D of this Agreement.

1.29 The term “**Permittees**” will mean the Parking Garage Owner, Parcel IIC Owner and Broad, and their respective officers, agents, employees, contractors, customers, invitees, patrons and licensees, as applicable.

1.30 The term “**Public Plaza**” will have the meaning given in Recital B of this Agreement and will include any and all concrete, asphalt, grass or other materials constituting the plaza surface, any structures constructed on or attached to the plaza, including, but not limited to, planters, lighting elements, signage and public stairways to and from Hope Street, but excluding any structures housing restaurant, retail or other premises.

1.31 The term “**Public Plaza Parcel**” will mean the real property described in Exhibit B upon which the Public Plaza is located.

1.32 The term “**Recorded or Recordation**” will mean recordation in the Office of the Los Angeles County Recorder.

2. Easements.

2.1 Grant of Easements.

(a) ADA Elevator Enclosure Easement. The Parcel IIC Owner hereby grants to Broad, for the benefit of the Public Plaza Parcel and burdening Parcel IIC, an exclusive easement appurtenant to the Public Plaza Parcel within that portion of Parcel IIC legally described in Exhibit D-1 hereto and illustrated in Exhibit D-2 hereto, for the installation, construction, maintenance, use, repair, replacement and occupation of the ADA Elevator Enclosure, consistent with the requirements of this Agreement. This easement will be irrevocable during any time that the Parking Garage or any replacement structure(s) exists on the Parking Garage Parcel, in accordance with Section 9 hereof. This easement will include, without limitation, the right for Broad to install directional signage upon the ADA Elevator Enclosure in Broad’s reasonable discretion.

(b) Pedestrian Access Easement. The Parcel IIC Owner hereby grants to Broad, for the benefit of the Plaza Parcel and burdening Parcel IIC, a nonexclusive easement appurtenant to the Plaza Parcel for pedestrian ingress, egress and passage over, upon, and across that portion of Parcel IIC legally described in Exhibit D-1 hereto and illustrated in Exhibit D-2 hereto (together with the easement granted in Section 2.1(a), above, the “**ADA Elevator Enclosure and Walkway Easement Area**”), in order to permit Broad and its Permittees to access the Public Plaza from Hope Street by means of the ADA Elevator Enclosure and Walkway during all hours that the Public Plaza is open to the public. This easement will include,

without limitation, the right for Broad to install directional signage within the ADA Elevator Enclosure and Walkway Easement Area, in Broad's reasonable discretion. This easement will be irrevocable during the time that the Parking Garage or any replacement structure(s) exists on the Parking Garage Parcel, in accordance with Section 9 hereof. Upon the effective date of the LACMTA easement described in Recital D, the ADA Elevator Enclosure and Walkway Easement Area will be adjusted, if needed, to correspond to the LACMTA Pedestrian Easement Area.

(c) Maintenance Easement. The Parcel IIC Owner hereby grants to Broad, for the benefit of the Plaza Parcel and burdening Parcel IIC, a nonexclusive easement over, upon and across the ADA Elevator Enclosure and Walkway Easement Area for the purpose of maintaining, operating and repairing the ADA Elevator Enclosure and Walkway. This easement will be irrevocable during the time that the Parking Garage or any replacement structure(s) exists on the Parking Garage Parcel, in accordance with Section 9 hereof.

2.2 Use of Easements.

(a) Broad may permit and allow its Permittees to use the easements hereinabove granted; provided, however, that no such permission will authorize a use of such an easement contrary to the use as granted hereinabove and no such unauthorized use will act to extinguish the easement for the use as granted. No consent of any Permittee will be required to amend or terminate any such easements.

(b) The easements hereinabove granted will be used by Broad and its Permittees in a manner so as not to interfere unreasonably with access to those portions of Parcel IIC that are outside of the ADA Elevator Enclosure and Walkway Easement Area.

(c) Notwithstanding any provision in this Agreement to the contrary, no structures other than the ADA Elevator Enclosure may be constructed upon, and no obstruction may be placed in, the ADA Elevator Enclosure and Walkway Easement Area.

3. Operation and Maintenance of the ADA Elevator Enclosure and Walkway Easement Area.

3.1 Maintenance of the ADA Elevator Enclosure and Walkway Easement Area. Broad covenants at all time during the term hereof to operate and to maintain (including all necessary repairs) the ADA Elevator Enclosure and Walkway Easement Area in good order, condition and repair. Maintenance of the ADA Elevator Enclosure and Walkway Easement Area will include, without limitation, maintaining and repairing the paving surfaces, removing all papers, debris and other refuse from and periodically sweeping the easement area, maintaining appropriate lighting fixtures, maintaining landscaping, maintaining signage in good condition and repair, removing graffiti within 48 hours of notice, providing security and performing any and all such other duties as are reasonably necessary to maintain the ADA Elevator Enclosure and Walkway Easement Area in a clean, safe and orderly condition.

3.2 Modification of the ADA Elevator Enclosure and Walkway Easement Area. Any modification, alteration, reconstruction, repair or improvement of the ADA Elevator Enclosure and Walkway Easement Area ("**Modification**") by the Parcel IIC Owner must be

approved in writing by Broad, which approval will not be unreasonably withheld, conditioned or delayed, provided that such reconstruction, repair or improvement does not materially interfere with the rights of Broad and its Permittees granted in Section 2 of this Agreement, as determined by Broad in its reasonable discretion. Notwithstanding the foregoing, in the event of an emergency that would preclude prior notice to Broad, as determined in the Parcel IIC Owner's reasonable judgment, the Parcel IIC Owner will have the right to perform such Modification as is reasonably necessary to safeguard the well-being of the public and to protect Parcel IIC Owner's property. The Parcel IIC Owner will provide Broad with written notice of such Modification as soon as reasonably possible.

3.3 Parcel IIC Owner's Construction and Operation of Parcel IIC Improvements. So long as such activities do not materially interfere with the rights of Broad and its Permittees granted in Section 2 of this Agreement, as determined by Broad in its reasonable discretion:

(a) The Parcel IIC Owner will have the right to construct the Parcel IIC Improvements; and

(b) The Parcel IIC Owner will have the authority to determine and control the day-to-day programming and activities on the Parcel IIC Improvements.

(c) Notwithstanding the foregoing, the Parcel IIC Owner will be entitled to temporarily block access over some or all of the ADA Elevator Enclosure and Walkway Easement Area during the period of construction, as reasonably necessary in the discretion of the Parcel IIC Owner and, after construction is complete and operations have commenced, for up to five (5) calendar days per calendar year, in connection with events and activities held on the Parcel IIC Improvements; provided in both cases that (a) the ADA Elevator Enclosure remains in operation at all times, and the Parcel IIC Owner provides Broad and its Permittees with reasonable alternative access between the ADA Elevator Enclosure and the Public Plaza; and (b) the Parcel IIC Owner provides Broad with at least sixty (60) days prior written notice of any complete blocking of access over the ADA Elevator Enclosure and Walkway Easement Area, except in the event of emergency, in which case the Parcel IIC Owner will provide Broad with written notice as soon as reasonably possible.

4. Insurance.

4.1 Required Insurance Policies.

(a) Each Party will secure from a company or companies licensed to conduct insurance business in the State of California, cause to be paid the premiums, and maintain in full force and effect, the insurance policies set forth in this Section 4, issued by an insurance carrier rated "A:-VIII" or better by A.M. Best Company. Each Party will furnish certificates of insurance and endorsements to the other Parties prior to the Effective Date and will furnish complete copies of such policies upon request of any other Party.

4.2 Minimum Coverage/Endorsements. Each Party will obtain the following insurance coverages which will be written on an occurrence basis, will name each other Party and any Mortgagees as additional insureds or loss payees, as applicable, and will:

(a) Provide a combined single limit of the broad form commercial general liability insurance in the amount of Five Million Dollars (\$5,000,000) per occurrence, and such insurance will (i) be written on an occurrence form, (ii) be written with a primary policy form with limits of not less than \$1,000,000 per occurrence; (iii) be written with one or more excess layers to bring the total of primary and excess coverage limits to not less than \$5,000,000 per occurrence, and (iv) contain a waiver of subrogation in favor of each other Party and any Mortgagees. Notwithstanding anything to the contrary contained in this Agreement, for so long as Broad is the owner or operator of the Public Plaza and either the Parking Garage or the Museum, Broad may provide Property Insurance and liability insurance for the ADA Elevator Enclosure and Walkway Easement Area through the same policy or policies insuring the Public Plaza, Parking Garage or Museum, provided such policy or policies (i) name the Parcel IIC Owner as additional insured, (ii) adhere to the Cancellation Notice provision in Section 4.2(b) below, and (iii) the form of the policy is reasonably acceptable to the Parcel IIC Owner.

(b) Bear an endorsement or have attached a rider providing that each Party will be notified not less than thirty (30) days before any expiration, cancellation, non-renewal, reduction in coverage, increase in deductible, or other material modification of such policy or policies, and will be notified not less than ten (10) days after any event of nonpayment of premium (collectively, “**Cancellation Notice**”); and

(c) For all insurance required under this Section 4, the Parties will have the right, at every ten (10) year period commencing after the Effective Date, to review the types and limits of insurance coverage required herein and to make reasonable adjustments, provided that such types and limits will not exceed that typically carried by the owner and operator of a first class public plaza and/or public parking structure, or that of an owner of a first-class public elevator, as applicable, of approximately the same size, in Los Angeles County, California, based on reasonable research and investigation by the Parties.

4.3 Intentionally Omitted.

4.4 Insurance Submissions. At least annually, each Party will deliver to the other Party (i) insurance certificates confirming the existence of the insurance required by this Agreement, and including the applicable clauses referenced above and (ii) endorsements to the above required policies, which add to these policies the applicable clauses and provisions referenced above. Such endorsements will be signed by an authorized representative of the insurance company and will include the signator's company affiliation and title.

5. Indemnity. Broad hereby agrees to release, indemnify and defend the CRA/LA, its board members, its officers, its employees and its Oversight Board members from and against any and all Claims arising from or as the result of the death of, or any accident, injury, loss or damage to, any person or property that occurs within the ADA Elevator Enclosure and Walkway Easement Area. Notwithstanding the foregoing, CRA/LA will not be entitled to such indemnification for any damage to the extent caused by its own negligence, by its willful misconduct, or by its other acts which would be excluded from coverage under a standard form of commercial general liability insurance policy as the same exists in California at such time.

CRA/LA will give Broad notice of any suit or proceeding entitling CRA/LA to indemnification pursuant to this Section 5, and the Broad will defend CRA/LA in said suit or proceeding.

6. No Implied Easements. No easements, except those expressly set forth in Section 2 hereto, will be implied or granted by this Agreement.

7. Security. The Parcel IIC Owner will be responsible for providing security for Parcel IIC. Broad will be responsible for providing security for the ADA Elevator Enclosure and Walkway Easement Area.

8. Remedies and Enforcement.

8.1 All Legal and Equitable Remedies Available. In the event of a breach or threatened breach by any Party or its Permittees of any of the terms, covenants, restrictions or conditions hereof, any nondefaulting Party will be entitled forthwith to full and adequate relief by injunction and/or all such other available legal and equitable remedies from the consequences of such breach, including, without limitation, payment of any amounts due and/or specific performance.

8.2 Remedies Cumulative. The remedies specified herein will be cumulative and in addition to all other remedies permitted at law or in equity.

8.3 No Termination For Breach. Notwithstanding the foregoing to the contrary, no breach hereunder will entitle any Party to cancel, rescind, or otherwise terminate this Agreement. No breach hereunder will defeat or render invalid the lien of any mortgage or deed of trust upon any Parcel made in good faith for value, but the easements, covenants, conditions and restrictions hereof will be binding upon and effective against any person or entity that acquires title to a Parcel by foreclosure, trustee's sale, or otherwise.

8.4 Irreparable Harm. In the event of a violation or threat thereof of any of the provisions of Section 2 of this Agreement, each Party agrees that such violation or threat thereof will cause the nondefaulting Party and/or its Permittees to suffer irreparable harm and such nondefaulting Party and its Permittees will have no adequate remedy at law. As a result, in the event of a violation or threat thereof of any of the provisions of Section 2 of this Agreement, the nondefaulting Party, in addition to all remedies available at law or otherwise under this Agreement, will be entitled to injunctive or other equitable relief to enjoin a violation or threat thereof of Section 2 of this Agreement.

9. Term. The easements, covenants, conditions and restrictions contained in this Agreement will be effective from and after the Effective Date, and will remain in full force and effect thereafter during the time that the Parking Garage or any replacement structure(s) exists on the Parking Garage Parcel, unless this Agreement is modified, amended, canceled or terminated by the written consent of Broad and the Parcel IIC Owner, any holder of a leasehold estate in or to Parcel IIC pursuant to a Long-Term Ground Lease, and any Mortgagee of any Parcel.

10. Miscellaneous.

10.1 Attorneys' Fees. In the event a Party institutes any legal action or proceeding for the enforcement of any right or obligation herein contained, the prevailing party after a final adjudication will be entitled to recover its costs and reasonable attorneys' fees incurred in the preparation and prosecution of such action or proceeding.

10.2 Amendment. The Parties agree that the provisions of this Agreement may be modified or amended, in whole or in part, or terminated, only by the written consent of both Parties evinced by a document that has been fully executed and acknowledged by all Parties and recorded in the Official Records of Los Angeles County, California.

10.3 Consents. Wherever in this Agreement the consent or approval of a Party is required, unless otherwise expressly provided herein such consent or approval will not be unreasonably withheld, conditioned or delayed. Any request for consent or approval will: (a) be in writing; (b) specify the section hereof which requires that such notice be given or that such consent or approval be obtained; and (c) be accompanied by such background data as is reasonably necessary to make an informed decision thereon. The consent of a Party under this Agreement, to be effective, must be given, denied or conditioned expressly and in writing.

10.4 No Waiver. No waiver of any default of any obligation by any Party hereto will be implied from any omission by the other Party to take any action with respect to such default.

10.5 No Agency. Nothing in this Agreement will be deemed or construed by any Party, or by any third person, to create the relationship of principal and agent or of limited or general partners or of joint venturers or of any other association between the Parties.

10.6 Covenants to Run with Land. It is intended that each of the easements, covenants, conditions, restrictions, rights and obligations set forth herein will run with the land and create equitable servitudes in favor of the real property benefited thereby, will bind every person having any interest therein and will inure to the benefit of the respective Parties and their successors, assigns, heirs, and personal representatives.

10.7 Grantee's Acceptance. The grantee, assignee or sublessee of a fee or leasehold estate in any Parcel or any portion thereof, by acceptance of an assignment, deed or sublease conveying fee or leasehold title thereto or the execution of a contract for the purchase thereof, whether from an original party or from a subsequent lessee of such Parcel, will accept such deed, assignment or contract upon and subject to each and all of the easements, covenants, conditions, restrictions and obligations contained herein. By such acceptance, any such grantee, assignee or sublessee will for himself and his successors, assigns, heirs, and personal representatives, covenant, consent, and agree to and with the other Parties, to keep, observe, comply with, and perform the obligations and agreements set forth herein with respect to the property so acquired by such grantee, assignee or sublessee.

10.8 Severability. Each provision of this Agreement and the application thereof to Parcel IIC is hereby declared to be independent of and severable from the remainder of this Agreement; provided in no event will the easements, rights, and obligations provided for by this Agreement be severed except by written amendment signed by both Parties hereto, subject to

the provisions of Section 10.2 above. If any provision contained herein is held to be invalid or to be unenforceable or not to run with the land, such holding will not affect the validity or enforceability of the remainder of this Agreement. In the event the validity or enforceability of any provision of this Agreement is held to be dependent upon the existence of a specific legal description, the Parties agree to promptly cause such legal description to be prepared.

10.9 Recordation. This Agreement will be recorded in the real property records of the County of Los Angeles, California.

10.10 Entire Agreement. This Agreement contains the complete understanding and agreement of the Parties hereto with respect to all matters referred to herein, and all prior representations, negotiations, and understandings are superseded hereby.

10.11 Notices. Notices or other communication hereunder will be in writing and will be sent certified or registered mail, return receipt requested, or by other national overnight courier company, or personal delivery. Notice will be deemed given upon receipt or refusal to accept delivery. Each party may change from time to time their respective address for notice hereunder by like notice to the other party. The notice addresses of the Parcel IIC Owner and Broad are as follows:

Parcel IIC Owner: CRA/LA, A Designated Local Authority
448 S. Spring Street, Suite 1200
Los Angeles, California 90013
Attention: Chief Executive Officer

With a copy to: Goldfarb & Lipman LLP
523 West Sixth Street, Suite 610
Los Angeles, California 90014
Attn: Thomas Webber, Esq.

Broad: The Broad
2121 Avenue of the Stars, Suite 300
Los Angeles, CA 90067
Attn: General Counsel

With a copy to: The Broad
221 S. Grand Avenue
Los Angeles, CA 90012
Attn: Deputy Director

10.12 Governing Law. The internal laws of the State of California will govern the interpretation, validity, performance, and enforcement of this Agreement.

10.13 Estoppel Certificates. Each Party, within fifteen (15) business days of its receipt of a written request from another Party or any Mortgagee, will from time to time provide the requesting Party or such Mortgagee, a certificate binding upon such Party stating: (a) to the

best of such Party's knowledge, whether any Party to this Agreement is in default or violation of this Agreement and if so identifying such default or violation; (b) that this Agreement is in full force and effect and identifying any amendments to the Agreement as of the date of such certificate; (c) that there is no current outstanding amount owed by such Party, or to the best of such Party's knowledge, owed from the other Party, pursuant to the terms of this Agreement.

10.14 Bankruptcy. In the event of any bankruptcy affecting any Party or occupant of any Parcel, the Parties agree that this Agreement will, to the maximum extent permitted by law, be considered an agreement that runs with the land and that is not rejectable, in whole or in part, by the bankrupt person or entity.

10.15 Mortgagee Protections.

(a) Right to Encumber. Each Party will have the right to encumber its interest in its respective Parcel by any Mortgage, provided that such Mortgage is subject to and subordinate to this Agreement.

(b) Breach Won't Defeat Lien. The breach of any of the provisions of this Agreement will not defeat or render invalid the lien of any Mortgage of a Parcel or any portion thereof; provided, that, all provisions of this Agreement will be binding and effective against any third party who acquires a Parcel or any portion thereof by foreclosure, deed in lieu of foreclosure, trustee's sale or otherwise.

(c) Prior Claims and Obligations. No Mortgagee will have any personal liability beyond its interest in a Parcel or a portion thereof acquired by it through enforcement of its Mortgage for the performance or payment of any covenant, liability, warranty or obligation hereunder, and each Party agrees that it will look solely to such interests of such Mortgagee in such Parcel for payment or discharge of any such covenant, liability, warranty or obligation.

(d) Notice to Mortgagees. The Mortgagee under any Mortgage affecting a Parcel will be entitled to receive notice of any default by any Party hereunder; provided, that, such Mortgagee will have delivered a written notice to each Party specifying the Mortgagee's name and address and requesting such notices. Failure of a Party to deliver a copy of such notice of default to the Mortgagee will in no way affect the validity of the notice of default as it respects the defaulting Party, but will make the same invalid as it respects the interest of the Mortgagee and its lien upon the affected Parcel. Any such notice to a Mortgagee will be given in the same manner as provided in Section 10.11. The giving of any notice of default or the failure to deliver a copy to any Mortgagee will in no event create any liability on the part of the Party so declaring a default.

(e) Right to Cure. In the event that any notice will be given of the default of an Party and of such defaulting Party's failure to cure or to commence to cure such default as provided in this Agreement, then and in that event any Mortgagee under any Mortgage affecting the Parcel of the defaulting Party will be entitled to receive an additional notice given in the manner provided in Section 10.15(d), that the defaulting Party has failed to cure such default, and such Mortgagee will have sixty (60) days after the receipt of said additional notice to

cure any such default, or, if such default cannot be cured within sixty (60) days, to diligently commence curing within such time and diligently cure within a reasonable time thereafter. Mortgagees may jointly or singly pay any sum or take any other action reasonably necessary to cure any default of their mortgagors hereunder with the same effect as cure by the defaulting Party itself. If any such default or event cannot be cured or remedied by the Mortgagee without the Mortgagee obtaining possession of the Parcel to which it has a security interest by appropriate proceedings and/or title to said Parcel by judicial or non judicial foreclosure proceedings or by deed in lieu thereof, then any such default will be remedied or deemed remedied if the Mortgagee will have complied with the following provisions: (i) within thirty (30) days after receiving said notice, the Mortgagee (or its nominee) will have acquired the mortgagor's estate or will have commenced judicial or non judicial foreclosure proceedings or appropriate proceedings to obtain possession of the Parcel; (ii) the Mortgagee will diligently prosecute any such proceedings to completion; and (iii) after gaining possession of the Parcel, the Mortgagee (or its nominee) will perform all other obligations of the applicable Party as and when the same are due in accordance with the terms of this Agreement.

(f) Amendment. Subject to Section 10.2 above, this Agreement will not be amended in any material respect without the prior written consent of all Mortgagees, including, without limitation, in any way so as to (i) change the location of any easements; (ii) change the obligations of any Party to restore, rebuild or replace any improvements upon a casualty or condemnation; (iii) change the provisions applicable to insurance or condemnation so as to reduce the required coverages or change the interest of any Party in the allocation, adjustment or distribution of Proceeds; or (iv) change any provision of this Section 10.15 or any other provision of this Agreement which, by its terms is specifically for the benefit of Mortgagees or specifically confers rights on Mortgagees. Subject to Section 10.2 above, no amendment to this Agreement made without the consent of any Mortgagee will be binding upon it or its successors in interest should it become a Party.

(g) Condemnation or Insurance Proceeds. Nothing in this Agreement will impair the rights of any Mortgagee pursuant to its Mortgage to receive condemnation or insurance proceeds which are otherwise payable to the Party granting such Mortgage, except as may be otherwise expressly agreed to by such Mortgagee.

(h) Title by Foreclosure. Except as otherwise set forth herein, all of the provisions contained in this Agreement will be binding on and for the benefit of any person who acquires title to a Parcel by foreclosure, trustee's sale, deed in lieu of foreclosure or other involuntary transfer under a Mortgage.

(i) Modification of Article: Conflicts. Each Party hereby agrees to cooperate in including in this Agreement by suitable amendment from time to time any provision which may reasonably be requested by any proposed Mortgagee for the purpose of implementing the Mortgagee protection provisions contained in this Agreement and allowing such Mortgagee reasonable means to protect or preserve the lien and security interest of the Mortgage hereunder as well as such other documents containing terms and provisions customarily required by mortgagees (taking into account the customary requirements of their participants, syndication partners or ratings agencies) in connection with any such financing. The Parties each agree to execute and deliver (and to acknowledge, if necessary, for recording purposes) any agreement

necessary to effectuate any such amendment; provided, however, that any such amendment will not in any way materially adversely affect any rights of any Party under this Agreement. If there is any conflict between this Section 10.15 and any other provision contained in this Agreement, this Section 10.15 will control.

(j) Delegation to Mortgagee. Any Party may delegate irrevocably to any of its Mortgagees the non-exclusive authority to exercise any or all of such Party's rights hereunder, but no such delegation will be binding upon any other Party unless and until either the delegating Party or its Mortgagee will give to such other Party a true copy of a written instrument effecting such delegation. Such delegation of authority may be effected by the terms of the Mortgage itself, in which case service upon any other Party of an executed counterpart or conformed copy of said Mortgage in accordance with this Section 10.15, together with written notice specifying the provisions therein which delegates such authority to said Mortgagee, sufficient to give such other Party notice of such delegation.

(k) No Obligation to Cure. Nothing herein contained will require any Mortgagee to cure any default of a Party hereunder prior to its acquisition of title to a Parcel pursuant to a foreclosure of its Mortgage, trustee sale thereunder or deed in lieu foreclosure thereof. Upon acquisition of title to a Parcel, but only during such time as the Mortgagee holds title to the Parcel, such Mortgagee or the purchaser or grantee, as applicable will thereafter be liable and responsible for all continuing defaults existing on its Parcel from and after the date of such acquisition, including defaults and other conditions arising prior to the date of such acquisition.

(l) Separate Agreement. The Parties will, upon request, execute, acknowledge and deliver to each Mortgagee requesting the same, an agreement prepared at the sole cost and expense of the Party whose Mortgagee requested the same, in form reasonably satisfactory to such Mortgagee, among the Parties and the Mortgagees, agreeing to all of the provisions hereof.

10.16 Effective Date of Agreement. Notwithstanding the date contained in the first paragraph of this Agreement, this Agreement will take effect upon Recordation (the “**Effective Date**”).

10.17 Counterparts. This Agreement may be fully executed in one or more counterparts, each of which will be an original, and all of which together will constitute a single instrument.

10.18 Compliance with Legal Requirements. Each Party will comply with all applicable Legal Requirements with respect to such Party's Parcel. As used in this Section 10.18, “**Legal Requirements**” will mean (a) all present and future laws, statutes, requirements, ordinances, orders, judgments, regulations, resolutions, covenants, restrictions, administrative or judicial determinations, of every governmental authority and of every court or agency claiming jurisdiction over either of the Parties or any Parcel, whether enacted or in effect as of the Effective Date or thereafter, environmental laws, zoning laws, building codes and regulations and those laws relating to accessibility to, usability by, and discrimination against, disabled individuals; and (b) all covenants, conditions and restrictions now or hereafter of record.

10.19 Force Majeure. A Party will be excused from performing any of its obligations or undertakings under this Agreement, except any of its obligations to (a) pay any sums of money under applicable provisions hereof or (b) obtain and keep in force insurance coverage as set forth in Section 4 of this Agreement, if and/or for so long as the performance of such obligation is prevented, delayed, retarded or hindered by any cause not within the reasonable control of such Party or those functioning on its behalf; provided that the inability to perform was not caused by the acts or omissions of such Party or those functioning on its behalf (“Force Majeure”). Force Majeure will include the following, to the extent the same are not within the reasonable control of such Party or those functioning on its behalf, and provided that the same are not caused by the acts or omissions of such Party or those functioning on its behalf: (i) fire or explosion; (ii) earthquake, flood, action of the elements, or any other act of God; (iii) war, invasion, insurrection, riot, mob violence, sabotage, or malicious mischief; (iv) inability to procure or deliver labor, equipment, facilities, materials, or supplies, or a general shortage of the same in the open market; (v) strike, lockout, or other action of any labor union; and (vi) condemnation, requisition, law, order of government or civil or military or naval authority. For the purpose of this Section 10.19, a cause will be beyond the control of the Party whose obligation is hindered, delayed, retarded or prevented only if such cause would prevent, delay or retard or hinder the performance of an obligation by any other person similarly situated (such as a transportation strike), and this Section 10.19 will not apply to causes that are specific to the Party claiming the benefit thereof (such as financial inability or failure to order materials in timely fashion). Nothing contained in this Section 10.19 will defeat or limit the obligation of each Party having an obligation under this Agreement from taking all reasonable actions to mitigate the effects of any cause of Force Majeure, by substitute performance or otherwise.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

CRA/LA:

CRA/LA, A DESIGNATED LOCAL AUTHORITY,
a public body formed under Health & Safety Code
Section 34173(d)(3)

By: _____
Estevan Valenzuela
Chief Executive Officer

APPROVED AS TO FORM:

GOLDFARB & LIPMAN LLP

By: _____
Thomas Webber
CRA/LA Legal Counsel

THE BROAD:

By: _____
Name: Eli Broad
Title: President
Date: _____

CONSENT TO THE FOREGOING AGREEMENT AND TO ITS RECORDATION IN THE OFFICIAL RECORDS OF LOS ANGELES COUNTY, CALIFORNIA IS HEREBY PROVIDED BY GRAND AVENUE L.A., LLC.

GRAND AVENUE L.A., LLC,
a Delaware limited liability company

By: RELATED GRAND AVENUE, LLC,
a Delaware limited liability company,
Its Manager

By: THE RELATED COMPANIES, L.P.,
a New York limited partnership,
Its Managing Member

By: THE RELATED REALTY GROUP, INC.,
a Delaware corporation
its Sole General Partner

By: _____
Name: _____
Title: _____

DRAFT

Exhibit A

Legal Description of Parcel IIC

Lots 3 and 5 of Tract No. 67492 in the City of Los Angeles, County of Los Angeles, State of California as per map filed in Book 1380, Pages 43 through 57, inclusive, of Maps, Records of said County.

DRAFT

Exhibit B

Legal Description of the Public Plaza Parcel

Lot 6 of Tract No. 67492 in the City of Los Angeles, County of Los Angeles, State of California as per map filed in Book 1380, Pages 43 through 57, inclusive, of Maps, Records of said County.

DRAFT

Exhibit C

**Illustration of LACMTA Easement Area Compared to
ADA Elevator Enclosure and Walkway Easement Area**

Attached

DRAFT

Exhibit D

**Legal Description and Diagram of the
ADA Elevator Enclosure and Walkway Easement Area**

Attached

DRAFT

Attachment B

November 2, 2016

Deborah Kanter
Broad Foundations
10900 Wilshire Boulevard
Los Angeles, California 90024

Re: Existing Plaza Elevator and ADA Access Easement Across Phase IIC Parcel

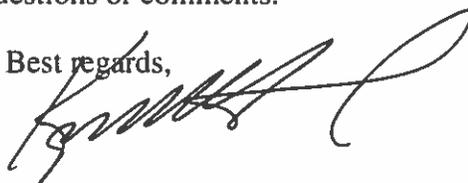
Dear Deborah:

In response to your request, this is to confirm that the location and ADA access pathway for the Plaza elevator, shown in plan and in its existing condition in the attachments (the "Elevator Exhibits"), are as previously agreed. We appreciate the cooperation between the Broad, Related and CRA/LA in connection with the existing Plaza adjacent to our Emerson project and the Broad museum, and look forward to working together in connection with the development of proposed additional improvements as part of the Phase IIC project.

We understand that in connection with pending agreements between the Broad and CRA/LA in connection with the Plaza and parking garage, you are working with CRA/LA to document easement rights for the improvements shown on the above-referenced Elevator Exhibits. Because Related anticipates obtaining rights to Phase IIC, as a successor in interest to CRA/LA, our consent to the CRA/LA's entering into such an easement has been requested. We agree that rights for these improvements to remain are important and intend to grant such consent, subject to the ability to review the final form of the easement to confirm its terms.

Please let us know if you have any questions or comments.

Best regards,



Kenneth A. Himmel

cc: Jennifer McCool
Barry Widen
Jordan Rathlev
Cindy Starrett