

Section 3.28. CFD Reimbursement Agreement. The CFD, the Stadium Authority and Stadco have entered into the CFD Reimbursement Agreement.

Section 3.29. No Default Stadco. No condition, event or act exists which would constitute a Stadco Event of Default or which, upon the giving of notice or the passage of time, or both, would constitute a Stadco Event of Default.

Section 3.30. No Default Stadium Authority. No condition, event or act exists which would constitute a Stadium Authority Event of Default or which, upon the giving of notice or the passage of time, or both, would constitute a Stadium Authority Event of Default.

Section 3.31. No Litigation Stadco. No existing, pending or threatened litigation, suit, Action or Proceeding before any court or administrative agency exists affecting Stadco or the Stadium Site that would, if adversely determined, adversely affect the Stadium Site or Stadco's or the Stadium Authority's ability to perform their obligations under this Agreement, or Stadco's ability to manage the development of the Stadium, as reasonably determined by the Stadium Authority.

Section 3.32. No Litigation City and Stadium Authority. No existing, pending or threatened litigation, suit, Action or Proceeding before any court or administrative agency exists affecting the City, the Agency, the Stadium Authority or the Stadium Site that would, if adversely determined, adversely affect, in the reasonable judgment of Stadco, the Stadium Site or the ability of any party to perform its obligations under this Agreement or the Related Agreements, or the Stadium Authority's ability to develop and operate the Stadium.

Section 3.33. Stadco Representations and Warranties. The representations and warranties of Stadco as set forth in Section 20.1 of this Agreement remain true and correct.

Section 3.34. Stadium Authority Representations and Warranties. The representations and warranties of the Stadium Authority as set forth in Section 20.2 of this Agreement remain true and correct.

ARTICLE 4.
CONSTRUCTION OF MAKE-READY WORK

Section 4.1. Make-Ready Work. Pursuant to the Predevelopment Funding Agreement, Stadco is preparing design documents for the Make-Ready Work, which documents are subject to the Stadium Authority's approval. Subject to the conditions set forth in Section 4.2 of this Agreement, the Stadium Authority will commence the Make-Ready Work prior to the Close of Escrow in accordance with the terms of this Agreement. The Parties shall cooperate and use good faith efforts to satisfy the conditions in Section 4.2 of this Agreement so as to allow commencement of the Make-Ready Work in January, 2012.

Section 4.2. Conditions to Commencement of Make-Ready Work. The conditions set forth in this Section 4.2 are intended for the mutual benefit of the Stadium Authority and Stadco,

and if any such condition is not satisfied, each Party shall have the right, in its sole discretion, to waive in writing the condition in question.

(a) Make-Ready Work License. The Stadium Authority has obtained the Make-Ready Work License from the City.

(b) Team Make-Ready Work License. The Team has (i) issued a license to the Stadium Authority and Stadco, (“Team Make-Ready Work License”), in a form reasonably acceptable to the Stadium Authority and Stadco, to allow access to the Training Facility land as necessary to perform the Make-Ready Work, and (ii) the City, as landlord under the Training Facility Lease, has approved the Make-Ready Work.

(c) Final Plans and Specifications for Make-Ready Work. The Stadium Authority and Stadco shall have approved the final plans and specifications for the Make-Ready Work.

(d) Cost Estimate. Stadco shall have submitted to the Stadium Authority, and the Stadium Authority shall have reasonably approved, the estimated budget for the Make-Ready Work to be submitted pursuant to Section 2.3 of the Predevelopment Funding Agreement. The estimated budget shall include all hard and soft costs items necessary to meet City standards for acceptance of the Completed Make-Ready Work by the City in accordance with the City Subdivision and Planning Codes, and any applicable Mitigation Measures and Conditions of Approval for the Stadium or the Make-Ready Work.

(e) Additional Funds Deposit. Stadco shall have delivered the Make-Ready Deposit if required pursuant to Section 4.4 of this Agreement.

(f) Make-Ready Work Agency Agreement. The Stadium Authority and Stadco shall have entered into the Make-Ready Work Agency Agreement, which among other things, shall provide that despite any termination of this Agreement, the Make-Ready Work Agency Agreement shall not terminate until the Make-Ready Work is Complete, unless otherwise terminated in accordance with its terms.

(g) Improvement Agreement. The Stadium Authority [and Stadco] shall have entered into the Improvement Agreement with the City pursuant to Section 4.5 of this Agreement.

(h) Award of Make-Ready Work Construction Contract. The Stadium Authority shall have awarded a lump sum construction contract on terms satisfactory to Stadco for the construction of the Make-Ready Work (the “Make-Ready Work Construction Contract”) pursuant to Section 4.3 of this Agreement.

(i) Payment and Performance Bonds. The Make-Ready Work Contractor shall have provided payment and performance bonds for the full amount of the Make-Ready Work.

(j) Permits and Approvals. All permits and approvals required by any Regulatory Agency to commence construction of the Make-Ready Work shall have been obtained.

Section 4.3. Competitive Bidding. The Stadium Authority shall competitively bid the Make-Ready Work Construction Contract and, if determined to be appropriate, shall award the Make-Ready Work Construction Contract to the lowest responsive and responsible bidder, all in a manner generally consistent with the City's standard process for bidding public works projects. Prior to issuance of any bid packages, the Stadium Authority shall provide the City's Public Works Director with a copy of the bid package as well as the proposed process for soliciting bids and selecting contractors, all of which documents and process shall be subject to the prior approval of Stadco. No bid package shall be issued or bids awarded until the City's Public Works Director has approved the bid package. Promptly following Stadco's request, the Stadium Authority shall submit to Stadco all bid documents and all documents relating to the contractor and subcontractor selection process.

Section 4.4. Make-Ready Work Funding. If the Make-Ready Work commences prior to Close of Escrow, Stadco shall advance to the Stadium Authority prior to the commencement of construction an amount equal to the contract amount due under the Make-Ready Work Construction Contract plus fifteen percent (15%) (the "Make-Ready Deposit"). Prior to the date of this Agreement and pursuant to the Predevelopment Funding Agreement, the Stadium Authority has advanced funds to Stadco in the amount of Four Million Dollars (\$4,000,000) to fund preliminary design, permitting and construction for the Make-Ready Work ("Initial Make-Ready Work Funds"), and these funds may be used by Stadco to fund the Make-Ready Deposit. Amounts in excess of the Initial Make-Ready Work Funds advanced by Stadco to fund the Make-Ready Deposit will be reimbursed to Stadco by the Stadium Authority, in accordance with the Funding Agreement and the Final Development Budget. In the event the Close of Escrow does not occur, any funds advanced by Stadco in excess of the Initial Make-Ready Work Funds advanced by Stadco to fund the Make-Ready Deposit shall be repaid by the Stadium Authority, but only from funds other than funds of the Stadium Authority that (a) were received by the Stadium Authority from the Agency, (b) are required to pay other costs incurred by the Stadium Authority in furtherance of the Stadium Project that are included in the budget approved by the Board, and (c) the Stadium Authority cannot, consistent with applicable Law and its other contractual covenants, use to pay for Make-Ready Work costs. The provisions of this Section 4.4 shall survive the termination of this Agreement.

Section 4.5. Improvement Agreement and Security. Certain components of the Make-Ready Work are required as conditions to approval of the Subdivision Map. Prior to the commencement of the Make-Ready Work, the Stadium Authority shall enter into an improvement agreement with the City pursuant to Section 17.05.650 of the Municipal Code of the City, the form of which shall be subject to Stadco's reasonable approval, providing for the completion of those components of the Make-Ready Work (the "Improvement Agreement"). As and to the extent required by the Improvement Agreement, the Make-Ready Deposit shall be deposited by the Stadium Authority with the City or a responsible escrow agent or trust company

to provide for any security required under Section 17.05.660 of the Municipal Code of the City for the Make-Ready Work that is subject to the Improvement Agreement.

Section 4.6. Compliance with Approvals and Applicable Law. Prior to the Close of Escrow, Stadco shall supervise the Make-Ready Work in accordance with the Make-Ready Work Agency Agreement. From and after the Close of Escrow, Stadco, as Construction Agent, shall supervise the Make-Ready Work under the Construction Agency Agreement. In its capacity under, and in accordance with, each of the Make-Ready Work Agency Agreement and the Construction Agency Agreement, as applicable, Stadco shall use Professional Efforts to cause the Make-Ready Work to be performed in compliance with the requirements of the Make-Ready Work License, other third party approvals, if any, and all applicable Laws now in force or that may be enacted hereafter, (including, without limitation, the prevailing wage provisions of Sections 1770 et seq., of the California Labor Code).

Section 4.7. Acceptance of Make-Ready Work. Upon completion of the Make-Ready Work and its acceptance by the City, the Make-Ready Work License shall terminate, and the Parties will cause the Team Make-Ready Work License to terminate. As a condition of acceptance of the Make-Ready Work, the Stadium Authority shall cause the contractor responsible for constructing the Make-Ready Work to provide to the City a warranty for all Make-Ready Work items, which warranty shall not expire any sooner than the one year anniversary date for the Completion of the Stadium.

Section 4.8. Assignment of Work Product. Prior to the issuance of bid documents for the Make-Ready Work, Stadco shall assign to the Stadium Authority, pursuant to a form of assignment prepared by Stadco and approved by the Stadium Authority, and the Stadium Authority shall accept assignment from Stadco, all of Stadco's right, title and interest in the permits and entitlements or work products obtained or created in connection with the Make-Ready Work.

ARTICLE 5.
DESIGN AND ENTITLEMENTS

Section 5.1. Cooperation. The Stadium Authority and Stadco agree to cooperate and coordinate with each other in connection with the Stadium Authority's ongoing efforts to develop the Stadium, including, without limitation, with respect to the Stadium design work. The Parties acknowledge that such cooperation and coordination is necessary in order to timely develop the Stadium Project.

Section 5.2. Design Development. Prior to the date of this Agreement, Stadco retained the Architect and Stadco Design Professionals to prepare design documents for the Stadium, including the Schematic Design Drawings and Design Development Documents, anticipating that the costs it incurred in doing so would be considered Development Costs and reimbursed out of the Development Fund if the Stadium Authority proceeded with development of the Stadium. Stadco's agreement with the Architect and with Stadco Design Professionals shall expressly provide that Stadco shall have the right to transfer and assign to the Stadium Authority all of its right, title and interest in the Schematic Design Drawings, the Design Development Documents,