

maintenance, accounting, audit and other relevant procedures with which the parties to the Funding Agreement shall comply.

Section 6.5. Construction Cost Overrun. Stadco will be responsible to pay the amount, if any, by which the total, actual Development Costs incurred by the Stadium Authority exceed the amount of such costs set forth in the approved Final Development Budget (a "Cost Overrun"). Prior to the Close of Escrow, Stadco and the Stadium Authority shall negotiate and approve the form of the Cost Overrun Commitment.

ARTICLE 7.
STADIUM AUTHORITY FINANCING

Section 7.1. Stadium Authority Financing. Consistent with the Final Financing Plan, the Stadium Authority, in consultation with Stadco, shall make a good faith effort to negotiate and execute Stadium Authority Financing Documents reasonably acceptable to the Stadium Authority and Stadco for all Stadium Authority Financings identified in the Final Financing Plan. The Stadium Authority Financing Documents shall expressly provide that no lender or bondholder under such documents shall have any recourse to the City or the Agency general funds or operating revenues or to the City enterprise funds, and any recourse shall be solely against the Stadium Authority and/or any Stadium Authority Source pledged to secure such financing. The Stadium Authority makes no representation as to the amount of funds from one or more of the Stadium Authority Financings that will be available to pay Development Costs.

Section 7.2. Conditions to Stadium Authority Financing. The conditions set forth in this Section 7.2 must be met prior to the Stadium Authority's consummation of any Stadium Authority Financing, unless waived in writing by the parties with approval rights over the applicable condition:

(a) The conditions to the Close of Escrow set forth in Article 3 shall have been satisfied or waived.

(b) As applicable, the Stadium Authority's legal counsel shall be irrevocably prepared to issue an opinion letter in a form acceptable to the Stadium Authority's lenders, and approved by the Stadium Authority in its reasonable discretion, stating, among other things, that the Stadium Authority Financing Documents constitute the valid and binding obligations of the Stadium Authority, enforceable against the Stadium Authority, and the Stadium Authority Financing Documents have been duly executed and delivered by, and constitute the valid and binding obligation of, the Stadium Authority enforceable against the Stadium Authority and that such Stadium Authority Financing does not constitute a debt of the City or the Agency.

(c) The Stadium Authority and Stadco shall have approved the projected amount of proceeds to be realized from such funds.

(d) The Stadium Authority and Stadco shall have approved, each in its sole discretion, the final form of all Stadium Authority Financing Documents required for each

Stadium Authority Financing, which documents shall comply with the provisions of Section 7.1, hereof.

(e) The Stadium Authority and Stadco shall have approved, each in its sole discretion, the final form of Funding Agreement pursuant to Section 6.4 hereof.

(f) 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.

(g) No existing, pending or threatened litigation, suit, Action or Proceeding before any court or administrative agency exists affecting the Stadium Authority or Stadco that would, if adversely determined, adversely affect the Stadium Authority Financing.

Section 7.3. No Right to Obligate Other Party. No Party to this Agreement shall have the right to obligate the other party to satisfy, or be obligated to satisfy, the debt of the other Party without the express written consent of the Party obligated to satisfy such debt.

Section 7.4. Takeout Financing. Subject to the provisions of Section 8.5 below, the Stadium Authority, in consultation with Stadco, shall make good faith efforts to enter into the Takeout Financing consistent with the Final Financing Plan prior to the maturity date of the Stadium Authority Financing (the "Maturity Date"). The terms of the Takeout Financing shall be subject to the reasonable approval of Stadco, and shall be structured with the goal of achieving an investment grade credit rating. No lender or bondholder under any Takeout Financing shall have any recourse to the City or the Agency general funds or operating revenues or to the City enterprise funds, and any recourse shall be solely against the Stadium Authority and/or any Stadium Authority Source pledged to secure such financing. Consistent with the Rent Schedule adopted as part of the Final Financing Plan, and incorporated into the Stadium Lease as of the Close of Escrow, the Facility Rent under the Stadium Lease shall be determined or adjusted so as to provide to the Stadium Authority, together with other amounts payable by Stadco under the Stadium Lease and other revenues of the Stadium Authority, funds required to pay the rent payable by the Stadium Authority under the Ground Lease, the Stadium Authority's operating and maintenance expenses of the Stadium and debt service on any Takeout Financing.

ARTICLE 8.
STADCO ADVANCES

Section 8.1. Prior Agreements.

(a) **Cooperation Agreement.** Prior to the date of this Agreement, the Stadium Authority and the Agency entered into the Cooperation Agreement. Pursuant to Section 3.2 of the Cooperation Agreement, the Agency agreed to contribute a total of Forty Million Dollars (\$40,000,000) (exclusive of debt service and other financing costs) toward Development Costs. In addition, the Agency agreed pursuant to Section 3.1 of the Cooperation Agreement to pay to the City, on behalf of the Stadium Authority one-half (1/2) of the Development Fees in the amount of One Million Six Hundred Thousand Dollars (\$1,600,000). Under the Predevelopment