THIRD AMENDMENT TO FACILITY MANAGEMENT AGREEMENT

This Third Amendment to Facility Management Agreement (this "**Amendment**") dated for reference purposes as of March 1, 2011 and effective as of the Third Amendment Effective Date (defined below) is entered into between the CITY OF ANAHEIM, a municipal corporation and charter city under the laws of the State of California ("**Owner**"), and ANAHEIM ARENA MANAGEMENT, LLC, a California limited liability company ("**Manager**"), with reference to the following facts. Capitalized term not otherwise defined in this Agreement have the meanings set forth in Exhibit "A" of the Facility Management Agreement.

RECITALS

A. Owner is the owner of the approximately 19,000 seat arena located at 2695 East Katella Avenue, Anaheim, California (the "**Arena**").

B. Manager is the operator of the Arena pursuant to that certain Facility Management Agreement entered into by and between Owner and Manager dated for reference purposes as of December 16, 2003, as amended by First Amendment to Facility Management Agreement dated as of June 20, 2006 and Second Amendment to Facility Management Agreement dated as of July 19, 2009 (as so amended, the "**Facility Management Agreement**").

C. Manager proposes entering into a Long-Term Agreement with a team holding an NBA Franchise for play of its regular season home games at the Facility, and has provided a form of "Venue Contract" between Manager and the NBA Team for Owner's approval.

D. Manager and Owner desires to amend the Facility Management Agreement in the manner hereinafter set forth in this Agreement.

NOW, THEREFORE, the parties agree as follows.

1. *Definitions*. Exhibit "A" of the Facility Management Agreement is hereby amended by adding or amending, as applicable, the following definitions:

"**2011 Bonds**" means, in the aggregate, all bonds issued under the 2011 Facility Financing.

"**2011 Facility Financing**" means the issuance in 2011 by the Anaheim Public Financing Authority of its Taxable Lease Revenue Bonds (Anaheim Arena Financing Project) in the aggregate principal amount [not to exceed $75,000,000], and any refunding bonds issued to refund such bonds and the consummation of the other transactions contemplated by the 2011 Facility Financing Documents.

"**2011 Facility Financing Debt Service**" means, for any Operating Year, all amounts of principal and interest due in such Operating Year on the 2011 Facility Financing (including sinking fund installments), and any payments required to be made under any swap, cap or similar agreement related to the 2011 Facility Financing; *provided that* "**2011 Facility Financing Debt Service**" shall not include any such amounts arising from the refinancing of any of the foregoing

which increase the total debt service obligation unless otherwise agreed by Manager and Owner, each in its sole discretion.

"**2011 Facility Financing Documents**" means the documents entered into in connection with the 2011 Facility Financing, in the forms attached as Schedule A hereto.

"**Adjusted Net Revenues**" means, for any period, the positive number, if any, determined by computing: (i) Net Revenues for such period, plus (ii) earnings on Permitted Investments, and (iii) VCAP Prepayments minus (iv) the aggregate amounts paid pursuant to Sections 5.2(b)(v), Sections 5.2(b)(vi) and Sections 5.2(b)(vii) for such period (other than principal amounts of operating Loans that were initially made in an Operating Year for which there were positive Net Revenues as of the end of such Operating Year), (v) the amount for each Operating Year by which the Guaranteed Waiver and Consent Fee exceeds $400,000, and (vi) prepayments of the 2011 Bonds.

"**Advance Deposits**" means (a) all refundable deposits, advances and proceeds of advance ticket sales accepted by Manager from third parties (including from suite holders, club seat holders and season ticket holders, to the extent received by Manager, as opposed to a third party) in connection with future bookings, including funds received by Owner on the "*Closing Date*" under the Termination Agreement from OFM or Covanta, and (b) all amounts held by Manager and due to NBA Team pursuant to the NBA Team Agreement.

"**Capital Expenditure**" means expenditures for property, components, systems and structures with a useful life of not less than three (3) years or which extend the life of the structure or improvement into which incorporated by not less than three (3) years, having a unit cost of not less then $10,000.

"**Debt**" means all debt incurred under the 2003 Facility Financing, all debt incurred under the 2011 Facility Financing, any obligations incurred in connection with any swap, cap or similar agreement related to the foregoing and any Other Debt.

"**Debt Service**" means, collectively, the 2003 Facility Financing Debt Service, the 2011 Facility Financing Debt Service, and any Other Debt Service.

"**Development Terms**" is defined in Section 8.2.

"**Douglass Lot**" is defined in Section 8.2.

"**Douglass Lot Ground Lease**" means the long-term ground lease to be negotiated between Owner and Manager as described in Section 8.2.

"**Gross Revenues**" means, collectively, on an accrual basis, for any period , any and all payments, fees and deposits of every nature received by Manager or Owner (including from any revenue streams not presently contemplated by this Agreement) for use of the Facility or services at or in respect of rights granted by the Facility, including VCAP Payments, the proceeds from the 2011 Facility Financing used in the current year to fund Additions, revenues derived under the Food and Beverage Concessions Contract; Advance Deposits if and when deposited into the Operating Account in accordance with Section 5.1(b); amounts transferred to the Operating

Account pursuant to Section 11.2 or from the Third Party Funds Account pursuant to Section 5.1(b)(ii) (but excluding, for the avoidance of doubt, those amounts expressly excluded from this definition of "Gross Revenues" in Section 11.2); Marquee Revenues; promotion revenues; rent; advertising revenues; ticket agent rebates; signage revenues; payments from the Insurance and Condemnation Account to the Operating Account; Severable Improvement Revenues; parking fees or taxes of any kind; facility fees or taxes of any kind; ticket fees or taxes of any kind; vendor refunds; membership fees; sponsorship (including, if applicable, marquee-related) and licensing fees; premium seating fees; proceeds from the sale of programs, novelties; proceeds of insurance policies, other than amounts received following casualty or destruction, if any); amounts awarded in connection with a Temporary Taking (net of costs to obtain the award); all funds received from any other source in connection with events held at the Facility including rebates or rights fees paid by third parties to the extent attributable to operations at the Facility directly or indirectly and allocated in a manner which equitably compensates the Facility for its proportionate contribution to such rebates or rights fees; and all funds expressly identified in this Agreement as constituting Gross Revenues; *but specifically excluding* (i) amounts properly held or to be deposited in the Third Party Funds Account; (ii) amounts properly paid to third parties from the Third Party Funds Account in accordance with Section 5.1(b)(ii); (iii) proceeds of Operating Loans, Debt Service Loans, LILO Loans and Other Debt; and (iv) earnings on Permitted Investments.

"**Katella Development Agreement**" is defined in Section 8.3.

"**Katella Lot**" is defined in Section 8.3.

"**Katella Lot Ground Lease**" means the long-term ground lease to be negotiated between Owner and Manager as described in Section 8.3.

"**Katella Sub-Sublease**" is defined in Section 8.3.

"**NBA Related Claim**" is defined in Section 18.8.

"**NBA Team**" means any professional team holding a National Basketball Association franchise and playing home games at the Facility pursuant to the NBA Team Agreement.

"**NBA Team Agreement**" means the Venue Contract between Manager and the NBA Team, as the same may hereafter be amended, supplemented or otherwise modified from time to time.

"**Operating Expenses**" means collectively, on a cash basis, for any period, all expenses of equipment leases; expenses of licensing, operating, maintaining, repairing and replacing portions of the Arena and of maintaining and operating the Parking Areas, including (but not limited to) utilities, costs of insurance, wages of employees of the Facility and related payroll expenses and all costs of entering into service and other contracts as contemplated by this Agreement; costs of materials and supplies; talent expenses; advertising and promotional cost and other direct expenses; amounts actually paid to or held back by the operator under the Food and Beverage Concessions Contract (if included in Gross Revenues); amounts paid to vendors from Severable Improvement Revenues as described in Section 14; without duplication, payments made during such period, or deposits made during such period to the Reserve

Accounts as reasonable Reserves, for Maintenance and Repairs; costs of maintaining any letters of credit in favor of the *Lender*; costs of third party claims relating to use and operation of the Facility and not covered by insurance; amounts paid over from the Operating Account to the Insurance and Condemnation Account; all charges, assessments, fees and taxes which may now or at any future time be imposed by any governmental body having jurisdiction on the uses and operation of the Facility provided for in this Agreement or on Owner's interest in the Facility (including any possessory interest of Manager under this Agreement); legal and other professional fees incurred in the ordinary course of operating of the Facility not specifically excluded below; the Guaranteed Waiver and Consent Fee payable to the *Equity Investor* pursuant to the Wavier and Consent Agreement; *but specifically excluding* (i) legal fees and other expenses of either party in connection with negotiation, documentation, interpretation or enforcement of this Agreement or any LILO Document, indirect costs or overhead of Manger or Owner (in particular, any salary allocation of management of an Affiliate of Manager, and legal, accounting, and human resources expenses of an Affiliate of Manager shall not be allocated to the Facility), (ii) taxes assessed against Manager or any Affiliate of Manager other than as specifically described in this Agreement; (iii) interest and principal payments on Operating Loans, Other Debt, Debt Service Loans or LILO Loans; (iv) 2003 Facility Financing Debt Service and 2011 Facility Financing Debt Service; (v) Capital Expenditures (except as otherwise provided above in this definition of "Operating Expenses"); (vi) amounts expended from the Reserve Account for Maintenance and Repairs; (vii) amounts paid out from the Third Party Funds Account; (viii) LILO Claims; and (ix) those amounts expressly excluded from this definition of "Operating Expenses" in Section 11.2.

"**Parking Assumption Date**" means the date of execution of the Douglass Lot Ground Lease.

"**Third Amendment Effective Date**" means the date the NBA Team Agreement first becomes binding on Manager and NBA Team.

"**VCAP Advance**" shall have the meaning set forth in the NBA Team Agreement.

"**VCAP Payments**" shall have the meaning set forth in the NBA Team Agreement.

"**VCAP Prepayments**" means payments received by Manager in any Operating Year in excess of scheduled VCAP Payments.

2. *Term*.

(a) Section 2.1 of the Facility Management Agreement is hereby amended to read in its entirety as follows:

> "2.1 **Base Term**. The term of this Agreement (the "**Term**") commenced on December 16, 2003 (the "**Effective Date**"), and continues in effect to and including June 30, 2033 (the "**Base Term**") unless sooner terminated as provided in Section 19.2 or 19.4 or extended as set forth in Section 2.2."

(b) Section 2.2 of the Facility Management Agreement is hereby amended to read in its entirety as follows:

"2.2 **Option to Extend**. So long as no event has occurred and is, at the time of exercise, then continuing which, with the passage of time or the giving of notice, or both, would become a Manager Event of Default, and subject to earlier termination as provided in Section 19.2 or 19.4, by written notice delivered to Owner not less than twelve (12) calendar months prior or the last day of the Base Term and, thereafter, if previously extended, twelve (12) months prior to the last day of the previously extended term (the "**Extension Notice**"), Manager may advise Owner of its election to extend the Term for four (4) additional periods not to exceed, in each instance, sixty (60) calendar months following expiration of the Base Term and, thereafter, each extended term (each, an "**Extended Term**") and the Term shall be so extended. During an Extended Term, Manager shall operate the Facility subject to all of the terms and conditions of this Agreement."

3. *Effect of Termination.* Sub-section 2.3(a) of the Facility Management Agreements is hereby amended to read in its entirety as follows:

"2.3 **Effect of Termination**. (a) On termination of this Agreement, Manager shall promptly deliver to Owner possession and control of the Facility and all Personal Property (or comparable property, in substitution for the Personal Property) in Acceptable Condition, and copies of any and all records in its custody relating to the Facility or to operations under this Agreement along with an assignment of all agreements acceptable to Owner relating to management and operation of the Facility, specifically including provision of parking for the Facility as described in Section 8 of the Facility Management Agreement."

4. *Manager's Duties*. Effective as of the Parking Assumption Date, Sub-section 3(i) of the Facility Management Agreement is amended to read in its entirety as follows:

"(i) In accordance with Section 8 below, provide for and manage parking arrangements for customers of the Facility within the Parking Areas in compliance with all Parking Agreements, and maintain the Parking Areas in a clean condition, including sweeping and trash removal immediately following each event (for evening events at the Facility, such maintenance shall be completed by 8 a.m. on the calendar day immediately following the event) and on a regular basis during periods in which no event is scheduled."

5. *Payment of Expenses and Other Amounts*.

(a) Clause (v) of Section 5.2(b) of the Facility Management Agreement is hereby deleted in its entirety and the following is substituted therefor:

"(v) Fifth, as and when due, payment of items in the Annual Budget for such Operating Year not described in any other provision of this Section 5.2(b) or otherwise specifically approved by Owner in writing pursuant to any other provision of this Agreement."

(b) Clause (vii) of Section 5.2(b) of the Facility Management Agreement is hereby deleted in its entirety and the following is substituted therefor:

> "(vii) Seventh, (a) as and when due, payment on a parity basis of the 2003 Facility Financing Debt Service and of the 2011 Facility Financing Debt Service and thereafter, (b) prepayment of the 2011 Bonds as a result of VCAP Prepayments;"

(c) Clause (xi)(A)(1) of Section 5.2(b) of the Facility Management Agreement is hereby deleted in its entirety and the following substituted therefor:

> "(1) First, the Manager shall be entitled to all Adjusted Net Revenues until the earlier of (x) ten (10) years following the date of issuance of the 2011 Bonds, or (y) the date the 2011 Facility Financing is paid in full, and thereafter, an amount of Adjusted Net Revenues which, when added to the amounts paid for such Operating Year pursuant to Sections 5.2(b)(ii), 5.2(b)(iii), 5.2(b)(iv), 5.2(b)(vii), 5.2(b)(ix) and 5.2(b)(x) (without any duplication of amounts thereunder), equals $12,000,000;"

(d) Clause (xi)(B) of Section 5.2(b) of the Facility Management Agreement is hereby amended to read in its entirety as follows.

> "(B) For any Operating Year after the Base Term, the Respective Shares shall be determined as follows:
>
> "(1) First, the Manager shall be entitled to an amount of Adjusted Net Revenues which, when added to the amounts paid for such Operating Year pursuant to Sections 5.2(b)(ii), 5.2(b)(iii), 5.2(b)(iv), 5.2(b)(vii), 5.2(b)(ix) and 5.2(b)(x) (without any duplication of amounts thereunder), equals $8,000,000;
>
> "(2) Manager shall be entitled to a share (collectively, the "**Manager Share**") of Adjusted Net Revenues (if any) in excess of $8,000,000 for such Operating Year as follows:
>
> (x) If only one Long-Term Agreement was Effective for the entire regular playing seasons of the teams playing at the Facility during such Operating Year, then the Manager's share of Adjusted Net Revenues (if any) in excess of $8,000,000 for such Operating Year is 70%;
>
> (y) If two or more Long-Term Agreements were Effective for the entire regular playing seasons of the teams playing at the Facility during such Operating Year, then the Manager's share of Adjusted Net Revenues (if any) in excess of $8,000,000 for such Operating Year is 75%;
>
> (z) If during part of the regular playing seasons of the teams playing at the Facility during such Operating Year only one Long-Term Agreement was Effective, and during the rest of the regular playing

seasons of the teams playing at the Facility during such Operating Year two or more Long-Term Agreements were Effective, then the Manager's share of Adjusted Net Revenues (if any) in excess of $8,000,000 for such Operating Year is equal to: (A) 70%, plus (B) the product of (i) 5% and (ii) a fraction, the numerator of which is the number of regular home team games played by the teams at the Facility during that portion of such regular playing seasons (occurring in the particular Operating Year) during which two or more Long-Term Agreements were Effective, and the denominator of which is the total number of regular home team games played by the teams at the Facility during the particular Operating Year.

"(3) Incremental Adjusted Net Revenues (if any) in excess of $8,000,000 up to $12,000,000 for such Operating Year, after distribution to Manager of Manager's Share of such incremental Adjusted Net Revenues, shall be held by Manager in a reserve account, to be applied to payment of Capital Expenditures and Additions as expressly agreed by Manager and Owner, provided that any funds remaining in such reserve on expiration of the Term or other termination of the Facility Management Agreement shall be delivered to Owner (or, with Owner's consent, in its sole discretion, to a successor manager of the Facility), and continue to be held and applied as a reserve for payment of Capital Expenditures and Additions; and

"(4) After distribution to Manager of Manager's Share of Adjusted Net Revenues (if any) in excess of $12,000,000, Owner and County shall share in remaining Adjusted Net Revenues as follows:

(x) If only one Long-Term Agreement was Effective for the entire regular playing seasons of the teams playing at the Facility during such Operating Year, then the remaining Adjusted Net Revenues for such Operating Year shall be distributed.

(A) 5% to the County of Orange; and

(B) 25% to Owner;

(y) If two or more Long-Term Agreements were Effective for the entire regular playing seasons of the teams playing at the Facility during such Operating Year, then the remaining Adjusted Net Revenues for such Operating Year shall be distributed:

(A) 5% to the County of Orange; and

(B) 20% to Owner;

(z) If during part of the regular playing seasons of the teams playing at the Facility during such Operating Year only one

Long-Term Agreement was Effective, and during the rest of the regular playing seasons of the teams playing at the Facility during such Operating Year two or more Long-Term Agreements were Effective, then the remaining Adjusted Net Revenues for such Operating Year shall be distributed:

(A) 5% to the County of Orange; and

(B) a percentage to Owner equal to: (A) 20%, plus (B) the product of (i) 5% and (ii) a fraction, the numerator of which is the number of regular home team games played by the teams at the Facility during that portion of such regular playing seasons (occurring in the particular Operating Year) during which only one Long-Term Agreement was Effective, and the denominator of which is the total number of regular home team games played by the teams at the Facility during the particular Operating Year."

6. *Use of Facility by NBA Team and NHL Team*. Section 7.8 is hereby added to the Facility Management Agreement to read in its entirety as follows:

"7.8 **Use of Facility by NBA Team and NHL Team**. Manager may permit the NBA Team and the NHL Team to each use the Facility for up to five (5) event days per Operating Year (plus set-up time as is reasonably required) at no rental charge, provided that all out-of -pocket costs, including any amounts due under the Food and Beverage Concessions Contract for such use and parking fees, shall be the sole responsibility of the NBA Team or the NHL Team, as applicable. Manager may allow the uses described in this Section 7.8 to be booked by the NBA Team or the NHL Team, as applicable, up to twelve (12) months in advance."

7. *Parking Arrangements*.

(a) Section 8, including Sections 8.1, 8.2 and 8.3 of the Facility Management Agreement are hereby deleted in their entirety.

(b) Effective as of the Parking Assumption Date, Section 8 of the Facility Management Agreement is amended to read in its entirety as follows:

"8. **Parking Arrangements and Development Rights**.

"8.1 **Assumption of Parking Obligations**. Effective as of the Parking Assumption Date, Manager shall cause to be provided (a) land on which no fewer than 3,900 parking spaces are available at all times for events at the Facility, and (b) such additional parking arrangements as are required to comply with any Long Term Agreement in effect from time to time at the Facility, including, but not limited to, the NHL Team Agreement and the NBA Team Agreement. The parties acknowledge that as of the Third Amendment Effective Date, approximately 3,900 parking spaces are available within the area identified

as lots 1 through 6 on the depiction attached as Schedule B hereto (which hereby replaces Schedule 9 to the existing Facility Management Agreement) (the "**Parking Areas**"). Manager hereby expressly assumes all obligations of Owner to the NHL Team to provide parking during hockey games, expressly including, but not limited to, Owner's obligations pursuant to Section 6 of the Consent, Traffic and Parking and Non-Disturbance and Attornment Agreement dated February 26, 1993, as amended. By signing below, NHL Team acknowledges and agrees that from and after the Parking Assumption Date, NHL Team will look only to Manager and not Owner for all such parking obligations. Manager shall have the right to relocate parking spaces from any portion of the Parking Areas required for uses ancillary or related to use of the Facility as described in the Facility Management Agreement and otherwise approved by Owner, provided that such replacement parking shall be located within the "Tier One" area identified on Schedule C attached hereto ("**Tier One ParkingArea**") and shall otherwise comply with applicable laws and ordinances, and Manager shall make appropriate arrangements to facilitate use of such relocated parking, at no cost to Owner, nor may such relocation require any capital expenditures from Gross Revenues or proceeds of Operating Loans, Debt Service Loans, or other Debt, or increase any Operating Expense. Manager shall cause such relocated parking to be available during the entire Term and for a period of not less than twenty (20) years following expiration of the Term. No fee which is not included in Gross Revenues may be charged by Manager for the Parking Areas, other parking facilities controlled by Manager or any Affiliate of Manager, or any replacement parking within the Tier One Parking Area identified by Manager for the 3,900 spaces available in the Parking Areas."

"8.2 **Ground Lease of Douglass Lot**. The parties acknowledge that approximately 1,000 parking spaces for the Facility are currently located on certain real property owned by Owner, located at the northwest corner of Katella Avenue and Douglass Road and more particularly described on Schedule D to this Amendment (the "**Douglass Lot**"). The parties acknowledge that as of the date hereof, the Douglass Lot is used for no purpose other than parking for the Facility. In consideration of Manager's assumption of parking obligations as described in Section 8.1 above, as soon as practicable following the Third Amendment Effective Date, Owner and Manager shall negotiate in good faith a mutually acceptable long term ground lease of the Douglass Lot to Manager or an Affiliate of Manager (the "**Douglass Lot Ground Lease**"), and shall use commercially reasonable efforts to complete negotiation and execution of the Douglass Lot Ground Lease and cause the Parking Assumption Date to occur within one hundred eighty days (180) following the Third Amendment Effective Date. Owner agrees that the Douglass Lot Ground Lease (i) shall have a term of not less than sixty (60) years, (ii) shall be in consideration for Manager's payment of all development, operation and maintenance costs thereof and Manager's assumption of the Owner's parking obligations as described in Section 8.1 above; (iii) shall provide for such uses and purposes as Owner shall agree in concept; (iv) shall be subject to all applicable law and ordinance requirements then in effect (subject to the other provisions of this Agreement); (v) shall provide for a reverter to Owner

in the event agreed milestones for development of the Douglass Lot (including Manager providing a conceptual site plan within five (5) years and annual status updates thereafter, with actual construction commencing within ten (10) years after the effective date of the Douglass Lot Ground Lease) are not met, any such reverter being subject to Owner's obligation to continue to make available for parking for the Facility either the Douglass Lot (as used immediately prior to such reverter) or substitute parking with the same number of parking spaces located within the Tier One Area; (vi) provide for a right of first refusal in the event of a subsequent transfer by Manager of a controlling interest in the leasehold other than to a permitted transferee; and (vii) in all other respects be on commercially reasonable terms (clauses (i) through (vii) preceding are, collectively, the "**Development Terms**"). All agreements of Owner described in this Section 8.2 may be exercised by the City Manager of the City of Anaheim or the City Manager's designee from time to time."

"8.3 **Ground Lease of Katella Lot**. The parties acknowledge that parking spaces for the Facility are currently located on certain real property owned by Owner, located at the northeast corner of Katella Avenue and Douglass Road and identified as "Lot 1" on Schedule B attached to this Amendment (the "**Katella Lot**"). In connection with the LILO Transaction [defined in Recital D of the Facility Management Agreement, to which this is the Third Amendment], the Katella Lot is currently leased by the City to a third party sublessor (the "**Sublessor**"), and subleased by the Sublessor back to the City. In consideration of Manager's assumption of parking obligations as described in Section 8.1 above, as soon as practicable following the Third Amendment Effective Date, Owner and Manager shall negotiate in good faith a mutually acceptable long term sub-sublease of the Katella Lot to Manager or an Affiliate of Manager (the "**Katella Sub-Sublease**") on the Development Terms as described above with respect to the Douglass Lot, and shall use commercially reasonable efforts to complete negotiation and execution of the Katella Sub-Sublease within one hundred eighty days (180) following the Third Amendment Effective Date. If consents for the Katella Sub-Sublease are required by the LILO Transaction from the Sublessor or other parties, then the City shall use good faith commercially reasonable efforts to obtain such consents, at no cost to City. If for some reason, such as difficulty in obtaining necessary consents for the Katella Sub-Sublease, it is not feasible to enter into the Katella Sub-Sublease, then the parties shall use commercially reasonable efforts to complete negotiation and execution of an alternative agreement which would afford AAM or an affiliate of AAM the right to develop and benefit from the development and use of the Katella Lot on the Development Terms (the "**Katella Development Agreement**"). If consents for the Katella Development Agreement are required by the LILO Transaction from the Sublessor or other parties, then the City shall use good faith commercially reasonable efforts to obtain such consents. If for some reason the parties can not enter into either the Katella Sub-sublease or the Katella Development Agreement while the LILO Transaction is in effect, then as soon as the LILO Transaction is completed and the Lease and the Sublease of the Katella Lot under the LILO Transaction are terminated, the parties shall promptly negotiate in good faith a

mutually acceptable long term ground lease of the Katella Lot from the City to Manager or an Affiliate of AAM with the same terms as the terms described above for the Katella Sub-Sublease. All agreements of Owner described in this Section 8.3 may be exercised by the City Manager of the City of Anaheim or the City Manager's designee from time to time. The parties agree that development of the Katella Lot may be, but is not required to be, carried out concurrently with the development of the Douglass Lot as described in Section 8.2 above."

8. *Owner's Suite*. Suite No. 305A (the "**Interim Suite**") is hereby substituted for existing Owner Suite No. 207B, as designated on Schedule 2 to the Facility Management Agreement, provided that Owner shall have a right of first refusal (exercisable within fifteen (15) calendar days after written notice from AAM of the availability of any other luxury suite) to substitute such other luxury suite for the Interim Suite as and when available. To facilitate such right of first refusal, Manager shall notify Owner (by notice to the City Manager) in writing promptly on Manager's receipt of notice of termination of any existing luxury suite holder agreement. No change is made in Owner's continued exclusive use of Suite No. 306B.

9. *Additional Exterior Signage*. Section 10.5 is hereby added to the Facility Management Agreement to read in its entirety as follows:

"10.5 **Additional Exterior Signage**. Additional digital signage may be installed on the exterior of the Facility, subject to Owner's prior written consent as to size, design aesthetics, and location; such signage shall otherwise obtain all necessary permits and comply with all applicable legal requirements, including, but not limited to, all ordinances of the City of Anaheim in existence as of the date of installation. All revenues related to or derived from such signage are agreed to be Marquee Revenues."

10. *Insurance.*

(a) Section 17.2 of the Facility Management Agreement is hereby amended to read in its entirety as follows:

"17.2 **Insurance Terms and Conditions.** All policies of insurance to be provided hereunder shall be written by companies of nationally-recognized financial standing satisfactory to Owner, which are legally admitted to write such insurance in California, and which have a Best Services rating of at least A-VII. Each policy of insurance required under Sections 17.1(a) and 17.1(b) may, at Manager's option, be provided for by a self-insured program of Manager, as long as Manager is permissibly self-insured for its workers' compensation benefits exposure by the State of California. Should Manager desire to carry a deductible or self-insured retention in excess of $25,000 per occurrence on the policies required in 17.1(c) or 17.1(d), Manager may make such request in writing to Owner and Owner's Risk Manager shall determine, in Owner's sole discretion, whether to grant such request. Should Manager elect to carry a self-insured retention on the policies required in Section 17.1(c) or 17.1(d), such election shall be subject to the following provision: as respects any rights or coverage issues

which may effect Owner, the Owner Indemnified Parties, or any of the Additional Insureds, such self-insurance programs must operate in the same manner as a typical commercial insurance policy, including, but not limited to, agreement that the Additional Insureds (including Owner) shall have the same rights as additional insureds as they would have had if coverage had been provided under a typical commercial insurance policy issued by a typical commercial insurance company. Each policy of insurance required under Sections 17.1(f) and 17.1(g) may contain a deductible in an amount not greater than (i) $50,000 for property damage, (ii) $100,000 for flood, and (iii) 10% for earthquake. Should Manager desire to carry a deductible on one or more of these policies in excess of these amounts, Manager may make such request in writing to Owner, and Owner's Risk Manager shall determine, in Owner's sole discretion, whether to grant such request. On each policy of insurance required under Sections 17.1(c), 17.1(e), 17.1(g) and 17.1(i), Manager and Owner shall each be specifically and separately included a named insured on such policies as respects all aspects of owning, operating, using, maintaining, managing, and otherwise running the Facility and any Parking Area. Such policies shall, by policy wording or endorsement, include Owner Covered Parties and Manager Covered Parties as covered parties (as opposed to additional insureds) under said insurance, and said insurance shall contain a "severability of interests" clause in favor of all named insureds and covered parties. Each policy of insurance required in Sections 17.1(c), 17.1(d), 17.1(e), 17.1(g) and 17.1(i) shall (i) name the Additional Insureds as additional insureds; and (ii) be non-contributing with, and shall apply only as primary and not excess to, any other insurance or self-insurance available to the Additional Insureds, regardless of any "other insurance" clause to the contrary. Each policy of insurance shall provide that it shall not be canceled or amended or its coverage reduced except upon thirty (30) days' prior written notice by certified or registered mail to Owner and each Additional Insured, except in the case of non-payment of premium which shall allow for ten (10) days prior written notice. On each policy of insurance required under Sections 17.1(f) and 17.1(h), Owner, Manager, *Trustee* and *Equity Investor* shall be included as named insureds, to the extent obtainable, and if unattainable the other parties will be included as loss payees under a loss payable endorsement, and loss proceeds, if any, from said insurance shall be payable as provided in Sections 22.3 and 22.4, and shall (i) provide that such insurance shall not be invalidated by an action or inaction of Manager, and (ii) insure Owner regardless of any breach or violation by Manager of any warranty, declaration or condition contained in such Insurance. Manager shall not obtain or carry separate insurance concurrent in form or contributing, in the event of loss, with that required by this Section unless Owner, Owner Covered Parties, and the Additional Insureds are included as additional insureds therein, with loss payable as herein provided. Manager shall immediately notify Owner and the *Equity Investor* whenever any such separate insurance is obtained and shall deliver to Owner and the *Equity Investor* certificates evidencing the same. Any insurance required hereunder may be provided under blanket policies provided that the coverage afforded shall not, in the opinion of Owner, be reduced or diminished by reason of the use of a blanket policy. Each policy of insurance required under Section 17.1 shall

provide that the insurers shall have no recourse against the Additional Insureds for payment of any insurance premium. The provisions to be added to insurance required hereunder shall be added by endorsement, and Owner shall promptly receive a copy of such endorsement. The insurance coverage or bond required under Section 17.1(j) shall be written to the benefit of Manager and Owner, as their interests may appear."

(b) Section 17.3 of the Facility Management Agreement is hereby amended to read in its entirety as follows:

"17.3 **Handling of Claims and Claims-Related Litigation**. Regarding liability claims arising out of the ownership, operation, use, maintenance, management, or otherwise running of the Facility and any Parking Areas, and for which Manager, any Manager Covered Parties, Owner, any Owner Covered Parties, and any Owner Indemnified Parties are all covered under the insurance policy or self-insurance program applicable to such claims, (i) Manager shall be the lead party in the handling of any claims; (ii) Owner shall have the right, but not the obligation, to assume the handling of any claim against Owner, Owner Covered Parties, or Owner Indemnified Parties; (iii) no claim against Manager (and/or the Manager Covered Parties) or Owner (and/or the Owner Covered Parties) shall be settled for an amount in excess of $200,000.00 by the other party without prior written consent of Owner or Manager, as applicable, provided such consent shall not be unreasonably withheld or delayed; (iv) no claim against both Manager (and/or the Manager Covered Parties) and Owner (and/or the Owner Covered Parties) shall be settled without the mutual agreement of Owner and Manager; and (v) both Manager and Owner shall cooperate (and Manager shall cause the Manager Covered Parties, and Owner shall cause the Owner Covered Parties, to cooperate) with each other in the handling of such claims, including without limitation the investigation, adjusting, and settlement of such claims. As regards any losses under the insurance required in Sections 17.1(f) or 17.1(h), and in those cases in which Manager and Owner are named insureds on the policy, (i) Manager will be the lead party in the handling of such claims; (ii) Owner shall have the right, but not the obligation, to assume the handling of such claims; (iii) no claim shall be settled without the mutual agreement of Owner and Manager, and (iv) both Manager and Owner shall cooperate with each other in the handlings of such claims. As regards any losses under the insurance/bond required in Section 17.1(j), (i) Manager will be the lead party in the handling of such claims; (ii) Owner shall have the right, but not the obligation, to assume the handling of such claims; and (iii) except where Owner has assumed the handling of such claims and fraud or willful misconduct on the part of Manager or a Manager Covered Party in involved, no claims shall be settled without the mutual agreement of Owner and Manager; and (iv) both Manager and Owner shall cooperate with each other in the handlings of such claims. The reasonable costs of handling liability claims, the reasonable costs of pursuing property claims, and the reasonable litigation costs which may arise out of such claims shall be paid (to the extent not others covered by insurance) as an Operating Expense, including such third party costs as may be incurred by Owner.

11. *Indemnification*.

(a) Section 18.7 of the Facility Management Agreement is hereby amended to read in its entirety as follows:

> "18.7 **Scope of Indemnification Provision**. The parties understand and acknowledge that the provisions set forth in this Section 18 apply only to the Chilled Pipes Litigation, the Chilled Pipes Work, Owner LILO Liabilities, LILO Claims and NBA Related Claims. Nothing herein shall in any way diminish any rights or obligations either party may have as respects equitable indemnity or other legal remedies which may accrue or arise under this Agreement which are not the subject of this Section 18 (that is, the Chilled Pipes Litigation, the Chilled Pipes Work, Owner LILO Liabilities, LILO Claims and NBA Related Claims), including, without limitation, those arising out of or in connection with work, use, occupancy, operations, acts or omissions under this Agreement."

(b) Section 18.8 is hereby added to the Facility Management Agreement to read in its entirety as follows:

> "18.8 **Additional Indemnification Obligations of Manager**. Manager agrees that it shall indemnify, defend and hold harmless Owner and the Owner Indemnified Parties from and against all claims, costs, liabilities and expenses arising from any of the following and to the extent not resulting from the sole active negligence, responsibility, or culpability on the part of Owner or Owner Indemnified Parties (i) arising from or related to the relocation to the Facility of the NBA Team, the departure from any prior facility, venue or geographic location of the NBA Team or any Affiliate of the NBA Team or breach or default by the NBA Team or any Affiliate of the NBA Team in performing any obligation under any prior or current agreement by which the NBA Team or any such Affiliate is, or is claimed to be, bound, or (ii) the failure of Manager to pay any costs incurred in connection with the NBA Team Agreement or the relocation of the NBA Team to the Facility (all, collectively, the "**NBA Related Claims**"). In case any action or proceeding shall be brought against Owner or the Owner Indemnified Parties by reason of any of the foregoing, Manager, upon notice from Owner, shall defend the same at Manager's expense, with counsel reasonably acceptable to Owner. Manager shall reimburse Owner and the Owner Indemnified Parties for all reasonable costs, expenses and liabilities (including, without limitation, reasonable attorneys' fees) incurred as a consequence of or in connection with the defense of any such claims, actions or proceedings, but only to the extent reasonably incurred prior to such time as Manager has assumed the defense thereof. The obligations of Manager and the rights of Owner and Owner Indemnified Parties set forth in this provision (i) shall survive the termination of this Agreement, and (ii) are in addition to any other indemnity, defense and hold harmless obligations and rights set forth in any other provision of this Agreement"

12. *Defaults and Remedies*. Section 19.1(e) of the Facility Management Agreement is hereby amended to read in its entirety as follows:

"(e) The rejection or other termination of the NHL Team Agreement through no fault of the NHL Team, or of the NBA Team Agreement through no fault of the NBA Team, in either case, in connection with any bankruptcy proceedings of Manager."

13. *Effect of Amendment; Reaffirmation*. Except as expressly amended by this Amendment, the Facility Management Agreement shall remain in full force and effect, and the parties hereto expressly reaffirm their respective obligations thereunder. Nothing in this Amendment is intended to waive any rights of Owner under the Facility Management Agreement, including, but not limited to, all rights and powers of Owner under Sections 4, 10.4 and 13 of the Facility Management Agreement. From and after the Third Amendment Effective Date, all references in any document, instrument or agreement to the Facility Management Agreement shall mean the same, as amended hereby.

14. *Counterparts*. This Amendment may be signed in any number of counterparts, each of which shall be an original, and all of which shall constitute one and the same instrument.

15. *Further Modification*. This Amendment and each provision of this Amendment may be modified, amended, changed, altered, waived or terminated only by a written instrument signed by the parties hereto.

[signature pages follow]

"**OWNER**"

CITY OF ANAHEIM, a municipal corporation and charter city

By: _____

Thomas Tait, Mayor

Attest:

_____

Linda Andal, City Clerk

Approved as to Form:

_____

Cristina Talley, City Attorney

"**MANAGER**"

ANAHEIM ARENA MANAGEMENT, LLC,
a California limited liability company

By: _____
Michael Schulman, Chairman

Accepted and Agreed, with intent to be bound, as to Section 7 above (entitled "*Parking Arrangements*").

"**NHL TEAM**"

ANAHEIM DUCKS HOCKEY CLUB, LLC,
a California limited liability company

By: _____
Michael Schulman
Chief Executive Officer

SCHEDULES

Schedule A – 2011 Facility Financing Documents

Schedule B – Parking Areas (replacing existing Schedule 9)

Schedule C – Tier One Parking Area

Schedule D – Legal Description of Douglass Lot

SCHEDULE A

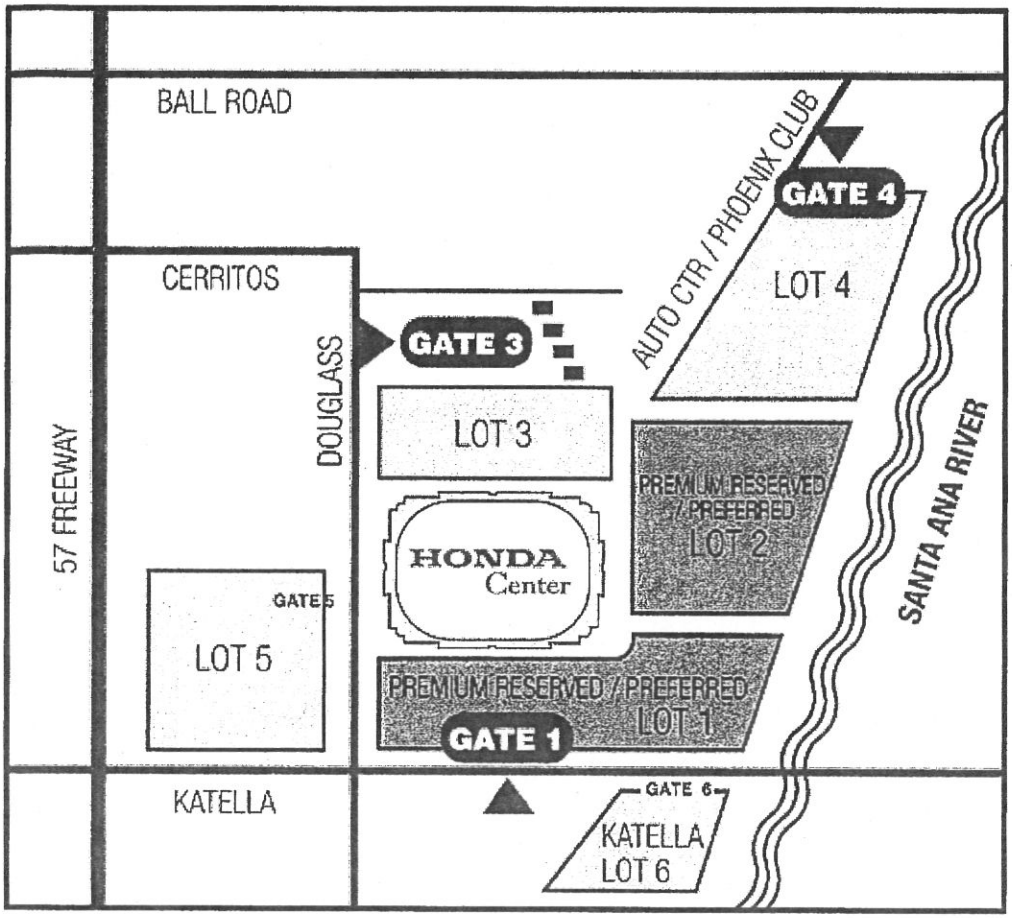
2011 FACILITY FINANCING DOCUMENTS

[to follow]

SCHEDULE B

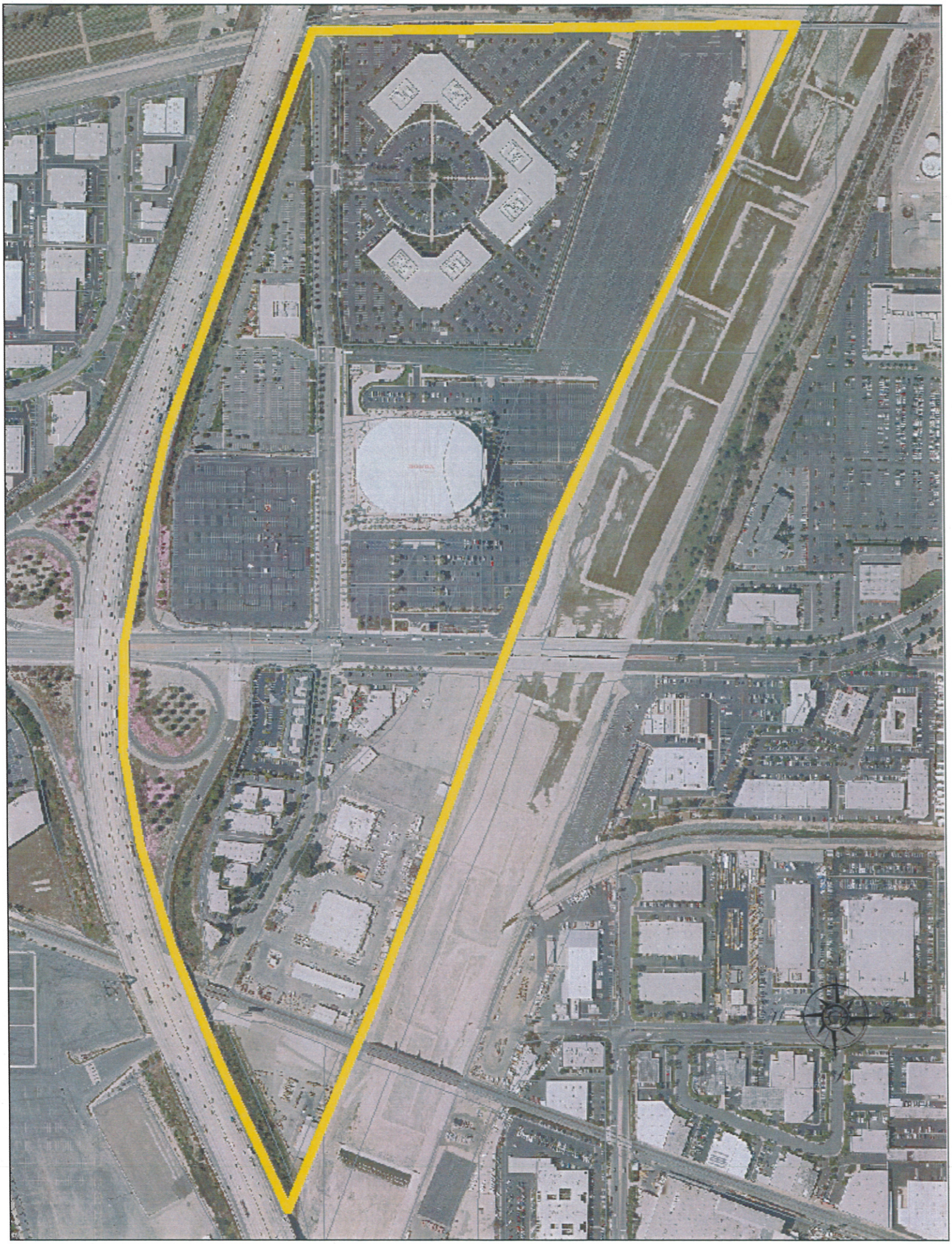
PARKING AREAS
(replacing existing Schedule 9)

SCHEDULE B - PARKING AREAS



SCHEDULE C

TIER ONE PARKING AREA



SCHEDULE C - TIER ONE PARKING AREA

SCHEDULE D

LEGAL DESCRIPTION OF DOUGLASS LOT

The certain real property located in Orange County, California, described as follows:

THAT PORTION OF LOT 4 OF THE TRAVIS TRACT, IN THE CITY OF ANAHEIM, AS SHOWN ON A MAP RECORDED IN BOOK 5, PAGE 120, MISCELLANEOUS RECORDS, OF LOS ANGELES COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE CENTER LINE OF DOUGLAS ROAD, 40.00 FEET WIDE, DISTANT ALONG SAID CENTER LINE N. 0° 33' 45" E. 85.00 FEET FROM THE INTERSECTION OF SAID CENTER LINE WITH THE CENTER LINE OF KATELLA AVENUE, FORMERLY STRUCK AVENUE, AS DESCRIBED IN DEED TO ORANGE COUNTY RECORDED IN BOOK 611, PAGE 11 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID ORANGE COUNTY, AND SAID DOUGLAS ROAD, AS DESCRIBED IN DEED IN BOOK 682, PAGE 109 OF DEEDS, RECORDS OF SAID ORANGE COUNTY, THENCE, N. 89° 26' 15" W., 40.00 FEET; THENCE, S. 51° 07' 19" W., 38.32 FEET TO A LINE PARALLEL WITH AND DISTANT NORTHERLY 60.00 FEET, MEASURED AT RIGHT ANGLES, FROM SAID CENTER LINE OF KATELLA AVENUE; THENCE ALONG SAID PARALLEL LINE, N. 88° 53' 52" W., 445.00 FEET; THENCE, N. 35° 18' 47" W., 75.80 FEET; THENCE, N. 01° 29' 28" E., 479.87 FEET; THENCE, N. 14° 15' 43" E. 101.79 FEET; THENCE, S. 88° 53' 52" E., PARALLEL WITH SAID CENTER LINE OF KATELLA AVENUE, 527.13 FEET TO SAID CENTER LINE OF DOUGLAS ROAD; THENCE, S. 0° 33' 45" W., ALONG SAID CENTER LINE OF DOUGLAS ROAD, 615.00 FEET TO THE POINT OF BEGINNING.

EXCEPT THOSE PORTIONS OF SAID LAND AS GRANTED TO THE COUNTY OF ORANGE, BY DEED RECORDED IN BOOK 9773, PAGE 428, OF OFFICIAL RECORDS, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE CENTER LINE OF KATELLA AVENUE, FORMERLY STRUCK AVENUE, AS DESCRIBED IN DEED TO ORANGE COUNTY, RECORDED IN BOOK 611, PAGE 11 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID ORANGE COUNTY, WITH THE CENTER LINE OF DOUGLAS ROAD, AS DESCRIBED IN DEED TO SAID ORANGE COUNTY, RECORDED IN BOOK 682, PAGE 109, OF DEEDS, IN SAID LAST MENTIONED OFFICE; THENCE ALONG SAID CENTER LINE OF DOUGLAS ROAD, N. 0° 33' 45" E. 85.00 FEET; THENCE N. 89° 26' 25" W, 40.00 FEET; THENCE S 51° 07' 19" W, 38.32 FEET TO A LINE PARALLEL WITH AND DISTANT NORTHERLY 60.00 FEET, MEASURED AT RIGHT ANGLES, FROM SAID CENTER LINE OF KATELLA AVENUE; THENCE ALONG SAID PARALLEL WITH N 88° 53' 52" W, 255.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE N 88° 53' 52" W, 190.00 FEET; THENCE N 35° 18' 47" W, 25.80 FEET; THENCE S 83° 07' 23" E, 206.37 FEET TO SAID TRUE POINT OF BEGINNING.

AND EXCEPT:

BEGINNING AT THE INTERSECTION OF THE CENTER LINE OF KATELLA AVENUE, FORMERLY STRUCK AVENUE, AS DESCRIBED IN DEED TO ORANGE COUNTY, RECORDED IN BOOK 611, PAGE 11 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID ORANGE COUNTY, WITH THE CENTER LINE OF DOUGLAS ROAD AS DESCRIBED IN DEED TO SAID ORANGE COUNTY RECORDED IN BOOK 682, PAGE 109 OF DEEDS, IN SAID LAST MENTIONED OFFICE; THENCE ALONG SAID CENTER LINE OF DOUGLAS ROAD, N 0° 33' 45" E, 85.00 FEET; THENCE N 89° 26' 15" W, 40.00 FEET; THENCE S 51° 07' 19" W, 38.32 FEET TO A LINE PARALLEL WITH AND DISTANT NORTHERLY 60.00 FEET; MEASURED AT RIGHT ANGLES, FROM SAID CENTER LINE OF KATELLA AVENUE; THENCE ALONG SAID PARALLEL LINE, N 88° 53' 52" W, 445.00 FEET; THENCE N 35° 18' 47" W, 75.80 FEET; THENCE N 01° 29' 28" E, 438.31 FEET TO THE TRUE POINT OF BEGINNING; THENCE N 01° 29' 28" E, 41.56 FEET; THENCE N 14° 15' 43" E, 101.79 FEET; THENCE S 88° 53' 52" E, PARALLEL WITH SAID CENTER LINE OF KATELLA AVENUE, 18.92 FEET; THENCE S 24° 45' 19" W, 53.51 FEET; THENCE S 13° 57' 06" W, 94.02 FEET TO SAID TRUE POINT OF BEGINNING.