

AKIN, GUMP, STRAUSS, HAUER & FELD, L.L.P.  
Carlyle W. Hall, Jr. (Bar No. 045287)  
2029 Century Park East, Suite 2400  
Los Angeles, California 90069  
Telephone: (310) 229-2000  
Facsimile: (310) 229-1001

Attorneys for Petitioners  
FRIENDS OF BALLONA WETLANDS and  
LEAGUE FOR COASTAL PROTECTION

Additional Counsel on Next Page

CONFIRMED COPY  
OF ORIGINAL FILE  
Los Angeles Superior Court

OCT 13 2006

John A. Clarke, Executive Officer/Clerk

By A. Fraser, Deputy

**SUPERIOR COURT OF THE STATE OF CALIFORNIA**

**COUNTY OF LOS ANGELES**

FRIENDS OF BALLONA WETLANDS,  
a non-profit corporation, et al.,

Petitioners/Plaintiffs,

v.

THE CALIFORNIA COASTAL  
COMMISSION,

Respondent/Defendant.

COUNTY OF LOS ANGELES, et al.,

Real Parties in Interest.

TRANSFERRED TO WEST DISTRICT

Case No. C525 826

SUPPLEMENTAL STIPULATION FOR  
ENTRY OF JUDGMENT

DATE: October 13, 2006

TIME: 9:00 a.m.

DEPT: M

ADDITIONAL COUNSEL

LATHAM & WATKINS LLP

George J. Mhlsten (Bar No. 94147)

633 W. 5th Street, Suite 4000

Los Angeles, CA 90071-2466

Telephone: (213) 485-1234

Facsimile: (213) 891-8763

KELLY LYTTON & VANN LLP

Kathleen O. Truman (Bar No. 158947)

1900 Avenue of the Stars, Suite 1450

Los Angeles, CA 90067-4301

Telephone: (310) 277-5333

Facsimile: (310) 277-5953

Attorneys for Real Parties in Interest

PLAYA CAPITAL COMPANY, LLC and

PLAYA PHASE 1 COMMERCIAL LAND

COMPANY, LLC

(successors in interest to Maguire Thomas

Partners-Playa Vista)

Rockard J. Delgadillo (Bar No. 125465)

CITY ATTORNEY

Susan D. Pfann (Bar No. 90217)

SENIOR ASSISTANT CITY ATTORNEY

200 North Main Street

1800 City Hall East

Los Angeles, CA 90012

Telephone: (213) 978-8199

Facsimile: (213) 978-8217

Attorneys for Real Party in Interest the

CITY OF LOS ANGELES

## TABLE OF CONTENTS

		<u>Page</u>
1		
2		
3	1.0	Defined Terms..... 7
4	1.1	"Application(s)"..... 7
5	1.2	"Area A," "Area B," "Area C," and "Area D"..... 7
6	1.3	"Area C Agreements"..... 7
7	1.4	"Area C Trustee"..... 7
8	1.5	"Ballona Wetlands"..... 7
9	1.6	"Building and Improvement Standards"..... 8
10	1.7	"CEQA"..... 8
11	1.8	"City"..... 8
12	1.9	[Reserved]..... 8
13	1.10	"CLIP"..... 8
14	1.11	"Coastal Commission"..... 8
15	1.12	"Coastal Development Permit"..... 8
16	1.13	"Cognizant"..... 8
17	1.14	"Condition(s)"..... 8
18	1.15	"Council Office"..... 8
19	1.16	"Develop" or "Development"..... 8
20	1.17	"Development Exactions"..... 9
21	1.18	"Effective Approval Date"..... 9
22	1.19	"Effective Land Use Regulations"..... 9
23	1.20	"EIR(s)"..... 9
24	1.21	"Existing Development Approvals"..... 9
25	1.22	"First Phase Approvals"..... 9
26	1.23	"First Phase Project"..... 9
27	1.24	"First Phase Project Area"..... 9
28	1.25	"First Phase Property"..... 9
	1.26	"Freshwater Wetland System"..... 10
	1.27	"Land Use Regulations"..... 10
	1.28	"Laws"..... 10
	1.29	"Nexus Test"..... 10
	1.30	"Obligation(s)"..... 11
	1.31	"Party" or "Parties"..... 11
	1.32	"PCC"..... 11
	1.33	"Permitted Development Exactions"..... 11
	1.34	"Petitioners"..... 11
	1.35	"Playa Vista"..... 11
	1.36	"Prohibited Development Exaction(s)"..... 11
	1.37	"Project"..... 11
	1.38	"Public Agency(ies)"..... 12
	1.39	"Public Financing Mechanisms"..... 12
	1.40	"Recycling Facilities"..... 12
	1.41	"Referee"..... 12
	1.42	"Regulatory Approval(s)"..... 12
	1.43	"Revised Playa Vista Plan"..... 12
	1.44	"Section 404 Permit"..... 13
	1.45	"Stipulation"..... 13

1	1.46	“Traffic and Ecological Infrastructure Improvements” .....	13
	1.47	“Wetlands Foundation” .....	14
2	1.48	“Wetland Restoration Plan” .....	14
	2.0	Purpose and Intent.....	14
3	3.0	Interim Wetlands Restoration .....	15
4	4.0	Development and Financing of Traffic and Ecological Infrastructure Improvements and Other Infrastructure Improvements.....	16
5	4.1	PCC’s Obligation.....	16
	4.2	Public Financing Mechanism.....	17
6	5.0	Wetlands Restoration Plan.....	17
	6.0	Ballona Discovery Center .....	18
7	7.0	Rights to Develop, Reservations, Limitations and Exceptions.....	18
8	8.0	Obligations of the Parties.....	20
	8.1	Obligations of the City.....	20
9	8.2	Obligations of PCC.....	21
	8.3	Obligations of Petitioners .....	21
10	9.0	Court’s Continuing Jurisdiction.....	21
11	10.0	Referee .....	22
	10.1	Appointment of Referee.....	23
12	10.2	Replacement of Referee .....	23
	10.3	Authority of Referee .....	23
13	10.4	Procedures for Referee.....	25
	11.0	Subsequent Laws .....	26
14	11.1	Suspension of Affected Provisions .....	26
15	11.2	Parties to Meet and Confer .....	27
	12.0	Processing of Development Approvals During Third Party Litigation .....	27
16	13.0	Term of Stipulation .....	27
	14.0	Conditions .....	27
17	15.0	Petitioners’ Remedies .....	30
	16.0	PCC Remedies .....	30
18	16.1	Vacate Judgment.....	30
19	16.2	Remedies for Denial of Approved Development.....	30
	17.0	Rights to Cure and Procedure for Vacating .....	31
20	18.0	Effect of Remedies.....	31
	18.1	Ruling of Non-Occurrence of Conditions.....	32
21	19.0	General Releases .....	32
22	20.0	Authorization .....	32
	21.0	Additional Documents and Instruments.....	32
23	22.0	Cooperation of the Parties.....	32
	23.0	Waiver; Remedies Cumulative .....	32
24	24.0	Transfers, Assignments and CC&Rs .....	33
	24.1	Right to Assign .....	33
25	24.2	Release Upon Transfer.....	34
	25.0	Attorneys’, Consultants’ Fees and Referees’ Fees .....	34
26	25.1	Costs of Settlement and Litigation.....	34
	25.2	Petitioners’ Past Fees .....	34
27	25.3	Future Attorneys’ and Consultants’ Fees and Costs.....	34
	25.4	Payment to Prevailing Party.....	36
28	25.5	Payment of Referees’ Fees.....	37

1	25.6	Scope of Fees .....	37
2	26.0	[Reserved] .....	37
3	27.0	Financial Assurances to Petitioners for Maintenance of Freshwater Wetland System .....	37
4	27.1	PCC Obligation .....	37
5	27.2	First Phase Property .....	37
6	27.3	Village Property .....	41
7	27.4	Memorandum of Judgment .....	41
8	27.5	Rights of Lienholders .....	43
9	28.0	Notices .....	43
10	29.0	Negation of Partnership .....	44
11	30.0	No Third Party Beneficiary .....	44
12	31.0	Severability .....	44
13	32.0	Depictions Are Approximate .....	44
14	32.1	Consents .....	45
15	32.2	Estoppel Certificate .....	45
16	33.0	No Delegation of City's Authority .....	45
17	34.0	Not Precedent in Other Matters .....	46
18	35.0	List of Exhibits .....	46
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			

1 The continuing Parties to this Action, other than the Coastal Commission, hereby  
2 stipulate through their respective counsel of record to supplement the Stipulation for Entry of  
3 Judgment originally entered herein on June 9, 1994 as to each such party, as set forth below on  
4 the terms and conditions set forth herein (this "Stipulation").

5 **RECITALS**

6 A. On or about December 7, 1984, Petitioners filed a Petition for Writ of  
7 Mandate in the above-entitled action (the "Action"), challenging the Coastal Commission's  
8 approval and certification of the County's Marina del Rey/Ballona Land Use Plan.

9 B. In June 1994, Petitioners, Maguire Thomas Partners - Playa Vista  
10 ("MTP-PV"), the State of California, the California Coastal Commission, U.S. Trust Company  
11 of California, the City of Los Angeles (the "City"), the County of Los Angeles and Southern  
12 California Gas Company (the "Gas Company"), entered into a Stipulation for Entry of Judgment  
13 (the "Original Stipulation"), and on June 9, 1994, the Superior Court entered its order adopting  
14 the Original Stipulation as part of its Judgment.

15 C. Since the Judgment was entered, the following events, *inter alia*, have  
16 transpired:

17 (1) On October 15, 1997, Playa Capital Company, LLC, a Delaware  
18 limited liability company, and its affiliate, Playa Phase 1 Commercial Land Company, LLC, a  
19 Delaware limited liability company, (collectively, "PCC"), succeeded to the interest of MTP-PV  
20 as the Real Party in Interest in this Action.

21 (2) The Wetlands Foundation has been organized and incorporated  
22 under the name Ballona Wetlands Foundation, a California nonprofit public benefit corporation.

23 (3) PCC, Petitioners and the City have agreed that the Coastal  
24 Commission will not be signatory to this Stipulation as it covers issues unrelated to the Coastal  
25 Commission. The Coastal Commission, however, acting through its Executive Director  
26 previously advised the Referee by written communication (a copy of which is attached hereto as  
27 Exhibit A that it "stands by the 1994 Stipulation in this case, to which it remains a signatory."  
28 This Stipulation replaces the Original Stipulation insofar as it affects the rights and obligations of

1 each of the remaining Parties in this Action, with the exception of the Coastal Commission,  
2 which remains a signatory to and bound by the Original Stipulation.

3 (4) Petitioners and PCC, in consultation with the Referee, have agreed  
4 to modify certain aspects of the work to be done pursuant to the Original Stipulation as part of  
5 the Interim Restoration, as described in Exhibit J to the First Amended Stipulation (defined in  
6 Recital C(8) below).

7 (5) PCC has agreed with the Petitioners, in consultation with the  
8 Referee, to increase the amount of its Interim Fund commitment (as set forth in Exhibit J to the  
9 Original Stipulation) from \$750,000 to \$1,375,000.

10 (6) On May 23, 2003, the League of Women Voters of California was  
11 dismissed with prejudice as a Petitioner in this action.

12 (7) As a result of redistricting in the City, Area B, Area C and Area D  
13 are now located in District 11 of the Los Angeles City Council.

14 (8) During the period of time between 1999 and August 8, 2001,  
15 Petitioners, PCC, the City and the other parties to the Original Stipulation negotiated a First  
16 Amended and Restated Stipulation for Entry of Judgment (the "First Amended Stipulation").  
17 The First Amended Stipulation was signed by Petitioner's legal counsel and by PCC's legal  
18 counsel and was being circulated for signature by the other parties to this Action when, on  
19 August 8, 2001, PCC entered into a Bargain Sale Option Agreement with The Trust for Public  
20 Land ("TPL") (the "TPL Option Agreement"). The TPL Option Agreement granted TPL an  
21 option to purchase all of Area A and the portion of Area B which was proposed for residential  
22 and retail development under the Revised Playa Vista Plan (defined in Section 1.43 below). As a  
23 result of the TPL Option Agreement, efforts to finalize the First Amended Stipulation were held  
24 in abeyance. Thereafter, as of August 22, 2003, PCC entered into an Agreement for Purchase  
25 and Sale and Escrow Instructions (the "WCB Purchase Agreement") with the State of California  
26 acting by and through its Department of Fish and Game, Wildlife Conservation Board ("WCB").  
27 The WCB Purchase Agreement superseded the TPL Option Agreement. On December 19, 2003,  
28 pursuant to the WCB Purchase Agreement, PCC conveyed to WCB Area A and Area B,

1 including the land underlying the Ballona Creek Flood Control Channel (the "Ballona Channel"),  
2 but excluding (a) an approximately 15.5-acre parcel of property containing the Gas Company's  
3 tank farm and gas storage field staging facilities, which parcel was conveyed by PCC to the Gas  
4 Company on January 12, 2004, and (b) an approximately 60-acre parcel located at the southwest  
5 corner of the intersection of Lincoln Boulevard and Jefferson Boulevard containing the  
6 Freshwater Marsh (defined in Section 1.26 below) and additional undeveloped acreage, which  
7 areas were conveyed by PCC to the State of California State Lands Commission on February 17,  
8 2004. Pursuant to the WCB Purchase Agreement, PCC has also irrevocably waived its  
9 remaining rights under the Area C Agreements to purchase Area C. In addition, the California  
10 Legislature adopted legislation authorizing and directing the Controller of the State of California  
11 to direct the Area C Trustee (defined in Recital D below) to convey Area C to WCB for  
12 conservation, restoration or recreation uses. The Area C Trustee conveyed Area C to WCB in  
13 September 2004.

14 (9) On September 22, 2004, the City Council certified a Final  
15 Environmental Impact Report (EIR No. ENV-2002-6129, State Clearinghouse No. 2002111065),  
16 adopted a Statement of Overriding Considerations and approved Vesting Tentative Tract Map  
17 No. 60110 for the Village at Playa Vista (the "Village at Playa Vista Project"). On September  
18 29, 2004, on second reading, the City Council approved ordinances, adopting zone changes,  
19 adopting an amendment to the Area D Specific Plan and approving a Development Agreement  
20 for the Village at Playa Vista Project. The Village at Playa Vista Project consists of  
21 approximately 111 acres located in the central portion of Area D, bounded by the adjacent First  
22 Phase Project on the east and west. It contains an urban development component and a habitat  
23 creation/restoration component. The urban development component would consist of 2,600  
24 dwelling units, 175,000 square feet of office space, 150,000 square feet of retail space, 40,000  
25 square feet of community-serving uses, and a land use equivalency program that would allow a  
26 limited exchange of office uses for retail and/or assisted living uses. The habitat  
27 creation/restoration component includes 11.7 acres with the Riparian Corridor involving  
28 approximately 6.7 acres and the restoration of the adjoining portion of the Westchester Bluffs

1 occurring on the remaining 5 acres. On November 5, 2004 and on November 8, 2004, project  
2 opponents filed *City of Santa Monica, et al. v. City of Los Angeles, et al.*, Los Angeles Superior  
3 Court Case No. BS093502 and *Federation of Hillside and Canyon Associations, et al. v. The*  
4 *City of Los Angeles, et al.*, Los Angeles Superior Court Case No. BS093507, respectively,  
5 challenging the City's approval of the Village at Playa Vista. Judge William Highberger issued  
6 his Statement of Decision denying the petition for writ of mandate and entered Judgment in favor  
7 of the City and Playa Capital Company, LLC on January 10, 2006. Certain petitioners in those  
8 two cases have appealed Judge Highberger's decision.

9           D. As a result of PCC's disposition of its above described interests in Area A,  
10 Area B and Area C and the State of California's acquisition of such property, the Revised Playa  
11 Vista Plan will no longer be implemented. The Gas Company, the County of Los Angeles, U.S.  
12 Trust Company of California and the Controller of the State of California, all parties to the  
13 Original Stipulation, have by a separate stipulation with Petitioners requested to be dismissed  
14 herefrom with prejudice. PCC has fully discharged its obligations under the Petitioners/MTP-PV  
15 Agreement (defined in Recital F below), and the Original Stipulation and the First Amended  
16 Stipulation to The Center for Law in the Public Interest ("CLIPP") and, as a result, CLIP, which  
17 was a party to the Original Stipulation, has by the separate stipulation requested to be dismissed  
18 with prejudice. Mary Thomson, a petitioner in this action but not a party to the Original  
19 Stipulation, passed away in the Spring of 2004. If such stipulation is entered by the Court, the  
20 only remaining petitioners herein will be the Friends of Ballona Wetlands and the League for  
21 Coastal Protection.

22           E. Petitioners represent a group of environmental and community  
23 associations which have been and will continue to be intimately involved in monitoring the  
24 implementation, operation and maintenance of the Freshwater Wetland System and are  
25 participating in the public planning process being implemented by the State of California for  
26 preservation and restoration of the Ballona Wetlands (defined in Section 1.5 below).

27           F. Petitioners and MTP-PV entered into a settlement agreement dated  
28 October 18, 1990 (the "Petitioners/MTP-PV Agreement") setting forth the terms under which

1 Petitioners and MTP-PV would agree to settle this Action. The Petitioners/MTP-PV Agreement  
2 was superseded by the Original Stipulation and, as to certain matters between Petitioners and  
3 PCC, the Original Stipulation was superseded by the pending First Amended Stipulation. This  
4 Stipulation, upon approval by the Court of the Stipulation, will replace and supersede the  
5 Original Stipulation and the pending First Amended Stipulation insofar as it affects the rights and  
6 obligations of each of the remaining Parties in this Action, with the exception of the Coastal  
7 Commission, which remains a signatory and bound by the Original Stipulation.

8           G.     Petitioners have supported PCC's entry into and consummation of the  
9 WCB Purchase Agreement in order to provide for public ownership of Area A, Area B and  
10 Area C and to allow for the establishment of a comprehensive public planning process for habitat  
11 restoration, preservation and/or recreational uses of such properties free from the uncertainties  
12 inherent in the Original Stipulation under which development and implementation of the  
13 Wetlands Restoration Plan was contingent upon PCC obtaining all necessary regulatory  
14 approvals to implement the Revised Playa Vista Plan. Conversely, PCC was willing to enter into  
15 and consummate the WCB Purchase Agreement only on the condition that the Original  
16 Stipulation be modified to reflect the conveyance of Area A, Area B and Area C to the State of  
17 California.

18           H.     Except as from time to time modified consistent with the restrictions set  
19 forth below, PCC intends to develop the portion of Area D which is not part of the First Phase  
20 Project (the "Village Property") as described in the City's Environmental Impact Report for the  
21 Village at Playa Vista Project (No. ENV-2002-6129 EIR, SCH No. 2002111065) and approved  
22 by the City in September 2004 and to build out its previously approved First Phase Project in  
23 Area D consistent with its First Phase Approvals (defined in Section 1.22 below). PCC has  
24 further determined that during the term of this Stipulation it will not modify or seek to modify  
25 such approvals in the future in any manner which would result in the Project as modified having  
26 an impact on the Freshwater Wetland System or any habitat restoration, protection or  
27 recreational use of Area A, Area B or Area C which is materially more adverse than the impacts  
28

1 that would be generated were Area D to be fully built out in accordance with the First Phase  
2 Approvals and the Village at Playa Vista Project.

3 I. In the event a court overturns the City's approval of the Village at Playa  
4 Vista Project, development of the Village Property would require modifications of and  
5 amendments to the Existing Development Approvals.

6 J. In light of the urgent need to restore the deteriorating Ballona Wetlands  
7 and in order to induce PCC to consummate the transactions contemplated under the WCB  
8 Purchase Agreement, thereby facilitating the commencement of a new planning process for  
9 habitat restoration, protection and/or recreational use of Area A, Area B and Area C, the City has  
10 determined to process and review all Applications for Regulatory Approvals in as timely a  
11 manner as possible, while maintaining its full legislative and/or quasi-judicial discretionary  
12 authority to grant, grant with conditions or deny portions or all of the Regulatory Approvals.

13 K. Petitioners and the City recognize that Development of Area D has  
14 required, and will continue to require, substantial early and large capital expenditures and  
15 investments with respect to the construction and installation of major infrastructure and facilities  
16 of sufficient capacity to serve Area D.

17 L. Petitioners, PCC and the City understand that to realize the public benefits  
18 contemplated under the First Phase Approvals and the Village at Playa Vista Project, this  
19 Stipulation provides that upon the grant of a Regulatory Approval by the City, PCC will, except  
20 as set forth in Section 7.0, be permitted to Develop Area D in accordance with such Regulatory  
21 Approval, notwithstanding further actions taken or Laws enacted by the City.

22 M. To facilitate the implementation of this Stipulation, the Parties desire that  
23 the Court retain continuing jurisdiction in this action and appoint a Referee to implement this  
24 Stipulation and the Judgment to ensure that each of the Parties performs its respective  
25 responsibilities in a timely manner, and to rule upon any questions or issues that may arise  
26 concerning implementation of this Stipulation and the Judgment, provided that the Referee's  
27 authority to interpret, rule upon or overturn decisions of the City shall be limited to enforcement  
28 of the provisions of this Stipulation and otherwise shall be coterminous with the jurisdiction of

1 the Court. No determination made by the Referee or by any party to this Stipulation, and no  
2 action taken pursuant to the terms of this Stipulation by the Referee or by any party to this  
3 Stipulation, shall constitute a finding of fact against the City for purposes of any other matter or  
4 proceeding which is not related to the implementation of this Stipulation.

#### 5 DEFINITIONS

6 1.0 Defined Terms. The following terms when used in this Stipulation shall be  
7 defined as follows:

8 1.1 "Application(s)" means all applications, submittals and requests to Public  
9 Agencies for Regulatory Approvals, including all documents, reports, maps, plans, studies, and  
10 other similar information submitted in seeking such Regulatory Approvals pertaining to  
11 Development in the Freshwater Marsh component of Area B and in Area D.

12 1.2 "Area A," "Area B," "Area C," and "Area D" shall each refer to a respective area  
13 within Playa Vista as depicted on the Site Map attached hereto as Exhibit B. A legal description  
14 of the Village Property is attached hereto as Exhibit C.

15 1.3 "Area C Agreements" means both (1) that certain Agreement among U.S. Trust  
16 Company of California, N.A., Maguire Thomas Partners Playa Vista-Area C and MTP-PV dated  
17 September 28, 1990, as amended on February 15, 1994 and further amended on December 29,  
18 1994 and (2) that certain Agreement among the Controller of the State of California, Maguire  
19 Thomas Partners Playa Vista-Area C and MTP-PV dated September 28, 1990, which together  
20 relate to the conveyance of a portion of Area B and the possible conveyance of Area C, both of  
21 which agreements are attached to the Original Stipulation as Exhibit I.

22 1.4 "Area C Trustee" means the Trustee under that certain Amendment to Declaration  
23 of Trust entered into on or about December 11, 1984 by First Nationwide Savings, as Trustee,  
24 Summa Corporation, as Trustor, and the Controller of the State of California, as Beneficiary,  
25 known as the HRH Inheritance Tax Security Trust. U.S. Trust Company of California is the  
26 current Trustee under said Trust as successor to First Nationwide Savings.

27 1.5 "Ballona Wetlands" means the Property as described in the Original Stipulation.  
28

1           1.6     “Building and Improvement Standards” means Laws of general application  
2 establishing requirements and standards for the building, construction, and installation of  
3 structures and associated improvements, such as and including, without limitation, building,  
4 plumbing, mechanical, grading and fire codes.

5           1.7     “CEQA” means the California Environmental Quality Act, Public Resources  
6 Code Sections 21000, et seq.

7           1.8     “City” means the City of Los Angeles, a municipal corporation organized and  
8 existing under the laws of the State of California, the governing body thereof and its members  
9 and all of their respective subdivisions, instrumentalities, agencies, departments, branches,  
10 officers, employees and agents.

11          1.9     [Reserved]

12          1.10    “CLIP” means the Center for Law in the Public Interest and any successor  
13 organization.

14          1.11    “Coastal Commission” means the California Coastal Commission, a political  
15 subdivision of the State of California.

16          1.12    “Coastal Development Permit” means that certain Coastal Development Permit  
17 No. 5-91-463 issued by the Coastal Commission on September 13, 1991, as amended, for  
18 Development of the Freshwater Wetland System.

19          1.13    “Cognizant” as used in connection with Public Agencies means having lawful  
20 jurisdiction.

21          1.14    “Condition(s)” means those certain conditions or events the occurrence or  
22 fulfillment of which will give rise to certain rights, including the right of one or more of the  
23 Parties to vacate the Judgment as set forth in Section 14 of this Stipulation.

24          1.15    “Council Office” means the City’s Council District within which Playa Vista is  
25 located, which as of the date of entry of this Stipulation is the 11<sup>th</sup> District.

26          1.16    “Develop” or “Development” means the construction, repair or replacement of  
27 structures, improvements and facilities comprising the Project, including, without limitation, the  
28 construction of both on and off-site infrastructure and public facilities relating to the Project.

1           1.17   “Development Exactions” means requirements or prohibitions imposed by the  
2 City as a condition of Development in connection with any Regulatory Approval for the  
3 dedication of land or property, the payment of fees, or the improvement, construction,  
4 maintenance or acquisition of any public infrastructure, facilities or property.

5           1.18   “Effective Approval Date” means that certain date for each Regulatory Approval  
6 granted by the City in connection with the Project on which such Regulatory Approval becomes  
7 final with no further right of administrative appeal.

8           1.19   “Effective Land Use Regulations” means as to any Regulatory Approval those  
9 Land Use Regulations in effect on its Effective Approval Date.

10          1.20   “EIR(s)” means any and all environmental impact reports, supplements to  
11 environmental impact reports, addenda to environmental impact reports, subsequent  
12 environmental impact reports, negative declarations, mitigated negative declarations and all  
13 related documents and materials to the foregoing prepared in connection with and made a part of  
14 the public records for a Regulatory Approval pursuant to CEQA.

15          1.21   “Existing Development Approvals” means all land use plans, site specific plans,  
16 maps, conditional and special use permits, variances, grading, building and other permits and  
17 other entitlements to use of every kind and nature presently approved or granted by the City in  
18 connection with the Development of the Project.

19          1.22   “First Phase Approvals” means Vesting Tentative Tract Map No. 49104 (as  
20 modified on December 8, 1995), Tentative Tract Map No. 52092, the Coastal Development  
21 Permit, the Section 404 Permit and other Regulatory Approvals related to the Developments  
22 provided for therein.

23          1.23   “First Phase Project” means the Development permitted by the First Phase  
24 Approvals.

25          1.24   “First Phase Project Area” means the portion of the First Phase Property (defined  
26 in Section 1.25 below) included within Area D.

27          1.25   “First Phase Property” means the land encompassed by the portion of City of Los  
28 Angeles Vesting Tentative Tract Map No. 49104 (as modified on December 8, 1995) approved

1 for development, City of Los Angeles Tentative Tract Map No. 52092 and the Freshwater  
2 Wetland System.

3 1.26 "Freshwater Wetland System" means that certain 51.1-acre freshwater wetland  
4 system described in the Coastal Development Permit and in the Section 404 Permit, consisting of  
5 a 26.1-acre freshwater marsh (the "Freshwater Marsh") located in Area B and a 25-acre riparian  
6 corridor (the "Riparian Corridor") located in Area D.

7 1.27 "Land Use Regulations" means Laws, which govern the permitted uses of land,  
8 the density and intensity of use, and the design, improvement, and construction standards and  
9 specifications applicable to the Development of the Project, including, without limitation:  
10 general plans, community plans, specific plans, zoning ordinances, planned community district  
11 ordinances, tentative, vesting tentative and final subdivision maps, parcel maps, conditional and  
12 special use permits, variances, development moratoria, interim control ordinances, growth  
13 management and phase development programs, Development Exactions, subdivision and park  
14 codes and Building and Improvement Standards. The term "Land Use Regulations" does not  
15 include, however, Laws relating to the conduct of business, professions and occupations  
16 generally, taxes and assessments (other than Development Exactions), Laws for the control and  
17 abatement of nuisances, and any exercisable power of eminent domain.

18 1.28 "Laws" means all (i) statutes, ordinances, codes, resolutions, initiatives,  
19 referenda, rules, regulations and orders, (ii) approvals, denials and conditional approvals of  
20 permits of every kind and character, (iii) programs, and official policies and actions of a Public  
21 Agency and (iv) amendments to the foregoing.

22 1.29 "Nexus Test" means that certain set of criteria and procedures defined and set  
23 forth in Exhibit D required to be undertaken by the City to determine whether or not a  
24 Development Exaction has a legally sufficient nexus to the impacts of Development of the  
25 Project or the objective being promoted or advanced by the City in applying the Development  
26 Exaction to the Project.

1           1.30    “Obligation(s)” means acts required to be taken by a Party pursuant to this  
2 Stipulation and the Judgment, the non-performance or untimely performance of which will be a  
3 breach of this Stipulation and a violation of the Judgment by that Party.

4           1.31    “Party” or “Parties” means the parties to this Stipulation.

5           1.32    “PCC” means Playa Capital Company, LLC, a Delaware limited liability  
6 company, and Playa Phase 1 Commercial Land Company, LLC, a Delaware limited liability  
7 company, as successors-in-interest to the former real party in interest Maguire Thomas  
8 Partners-Playa Vista, a California limited partnership.

9           1.33    “Permitted Development Exactions” means Development Exactions having a  
10 probable aggregate financial impact on the Project less than that level of financial impact which  
11 would, in PCC’s sole but good faith judgment, render the Project infeasible, taking into account  
12 at the time of such determination all then prevailing political, financial, economic and  
13 demographic conditions.

14           1.34    “Petitioners” means the petitioners in this Action, currently consisting of the  
15 Friends of Ballona Wetlands, the League for Coastal Protection and, pending dismissal herefrom,  
16 CLIP and Mary Thomson.

17           1.35    “Playa Vista” means that certain real property comprised of Area A, Area B, Area  
18 C and Area D as shown on Exhibit A attached hereto.

19           1.36    “Prohibited Development Exaction(s)” means a Development Exaction imposed  
20 by the City in connection with any Regulatory Approval for the Project that does not meet the  
21 Nexus Test.

22           1.37    “Project” means the development project contemplated by the First Phase  
23 Approvals and by the Village at Playa Vista Project, including, without limitation, all on-site and  
24 off-site improvements related thereto, as the same may be modified from time to time. It is  
25 contemplated that the Project may change and evolve over time through the discretionary review  
26 process of the City and other Public Agencies, provided, however, that no modifications to the  
27 Project shall result in the Project as modified having an impact on the Freshwater Wetland  
28 System or any habitat restoration, protection or recreational use of Area A, Area B or Area C that

1 is materially more adverse than the impacts which would be generated were Area D to be fully  
2 built out in accordance with the First Phase Approvals and the Village at Playa Vista Project.

3 1.38 "Public Agency(ies)" means any federal, state or local public entity, quasi-public  
4 entity, regulatory agency, administrative, legislative or adjudicatory body or similar entity, the  
5 governing body thereof and its members and any and all respective subdivisions,  
6 instrumentalities, agencies, departments, branches, officers, employees and agents which will or  
7 may have authority to grant a Regulatory Approval with respect to the Project.

8 1.39 "Public Financing Mechanisms" means public financing techniques including  
9 without limitation, the Mello-Roos Community Facilities Act of 1982 (California Government  
10 Code § 53311 et seq., as amended), the Marks-Roos Local Bond Pooling Act of 1985, the  
11 Revenue Bond Act of 1941, the Integrated Financing District Law, the Improvement Act of  
12 1911, the Municipal Improvement Act of 1913, the Improvement Bond Act of 1915, the  
13 formation of community facilities districts and/or special assessment districts and the issuance of  
14 bonds, certificates of participation, notes and other similar public financing mechanisms and  
15 techniques.

16 1.40 "Recycling Facilities" means those certain waste water treatment, organic  
17 recycling and solid waste recycling facilities considered for construction in connection with the  
18 First Phase Project.

19 1.41 "Referee" means the individual selected by the Parties and appointed by the Court  
20 to be a master and referee in the furtherance of the implementation of the Original Stipulation as  
21 to the Coastal Commission and implementation of this Stipulation and the Judgment as to the  
22 Parties.

23 1.42 "Regulatory Approval(s)" means any and all amendments to Existing  
24 Development Approvals, and the adoption or amendment of Land Use Regulations.

25 1.43 "Revised Playa Vista Plan" means the proposed master plan of development for  
26 Playa Vista described in Exhibit D-1 to the Original Stipulation.

1.44 "Section 404 Permit" means that certain Permit No. 90-00426-EV issued by the U.S. Army Corps of Engineers on July 1, 1992, as modified, for Development of the Freshwater Wetland System.

1.45 "Stipulation" means this Supplemental Stipulation for Entry of Judgment by and among the Petitioners, PCC and the City.

1.46 "Traffic and Ecological Infrastructure Improvements" means the Freshwater Wetland System and those certain other on-site and off-site infrastructure improvements which are required, or expected to be required, to be Developed or otherwise implemented with respect to the Project, as set forth in the final EIR for the First Phase Project for Playa Vista (EIR No. 90-0200-SUB(C)(CUZ)(CUB), State Clearinghouse No. 90010510), certified on September 21, 1993, and the addendum thereto prepared with respect to a modification to such First Phase Project and recertified on December 8, 1995, a Mitigated Negative Declaration with respect to an additional portion of the First Phase Project adopted on December 8, 1995, and the EIR for the Village at Playa Vista Project (EIR No. 2002-6129, State Clearinghouse No. 2002111065) certified on September 22, 2004; except that (i) the City has determined that the Recycling Facilities considered for construction in connection with the First Phase Project are infeasible and as a result they will not be constructed, and (ii) in connection with the implementation of the WCB Purchase Agreement, PCC has irrevocably waived easement rights to construct an extension of Playa Vista Drive (formerly Bay Street) across the Ballona Channel and through Area C to intersect with Culver Boulevard and, in connection with such waiver, the State Legislature has enacted legislation providing that PCC's failure to construct such transportation improvement shall not violate any provision of the Subdivision Map Act or of CEQA and rendering any municipal ordinance which would require such transportation improvement to be constructed or any permit or approval to be reprocessed or resubmitted by reason of such failure to construct such transportation improvement to such extent invalid and, as a result, such transportation improvement will not be constructed. It is contemplated that the Traffic and Ecological Infrastructure Improvements may change and evolve over time with the consent and participation of the City and/or other cognizant Public Agencies, provided, however, that no

1 modifications to the Traffic and Ecological Infrastructure Improvements shall result in an impact  
2 on the Freshwater Wetland System or on any habitat restoration, protection or recreational use of  
3 Area A, Area B or Area C that is materially more adverse than the impacts that would be  
4 generated if the Traffic and Ecological Infrastructure Improvements being modified were  
5 Developed or otherwise implemented without such modification. It is noted that, in consequence  
6 of the determination that the Playa Vista Drive bridge and extension will not be constructed, the  
7 EIR for the Village at Playa Vista Project included within its Alternative Baseline Conditions  
8 Analysis (Draft EIR, Village at Playa Vista (2003), Volume XX, Appendix K2) an analysis of  
9 the Village at Playa Vista Project's traffic impacts under modified future baseline conditions  
10 without the bridge and extension and an analysis of the effectiveness of the Village at Playa  
11 Vista Project's mitigation program under such modified future baseline conditions.

12 1.47 "Wetlands Foundation" means a non-profit public benefit corporation formed  
13 pursuant to the Original Stipulation.

14 1.48 "Wetland Restoration Plan" means the plan for restoration of the Ballona  
15 Wetlands contemplated to be Developed pursuant to the provisions of the Original Stipulation.

16 **TERMS AND CONDITIONS**

17 2.0 Purpose and Intent. This Stipulation (and the Original Stipulation as to the  
18 Coastal Commission only) sets forth procedures and elements for settlement of this Action which  
19 have resulted from negotiations and mutual compromise among the Parties. The Parties believe  
20 that, unless the disputes involved in this Action are so resolved, they will expend substantial  
21 efforts and sums of money in litigation, the results of which are uncertain, and that it is in the  
22 best interests of the Parties and the general public that a settlement be reached. This Stipulation  
23 is designed to serve the following purposes:

24 A. To provide that Area D will be developed in a manner securing the public  
25 benefits described in Recitals G and H and elsewhere above, subject to Regulatory Approvals as  
26 granted by all Cognizant Public Agencies after complete and thorough discretionary review.

27 B. To maintain the City's discretionary authority as a legislative and/or quasi-  
28 judicial body in the processing of the Applications. For example, it is not the purpose of this

1 Stipulation or the intent of the Parties: (1) to avoid or affect any applicable environmental or  
2 public hearing requirement or other requirement of law; or (ii) to prejudge or prejudice full and  
3 fair hearings on the merits of the various applications for discretionary Land Use Regulations  
4 and Regulatory Approvals necessary to effectuate this Stipulation.

5 C. To facilitate the establishment of a new planning process for habitat  
6 restoration, preservation and/or recreational use of Area A, Area B and Area C by supporting the  
7 transfer of title to Area A, Area B and Area C to public ownership.

8 D. To provide that once a Regulatory Approval for the Project has been  
9 granted by the City, PCC will be permitted to Develop the Project in accordance with such  
10 Regulatory Approval (subject to the obtaining of such other Regulatory Approvals as may be  
11 necessary or required by law), notwithstanding inconsistent action taken or Laws enacted by the  
12 City subsequent to the Effective Approval Date for that Regulatory Approval, except as  
13 permitted in Section 7.0, and PCC will have the right to invoke this Court's injunctive and  
14 equitable powers to enforce this right;

15 E. To provide assurances to PCC that the Applications necessary to obtain  
16 the Regulatory Approvals for the Project will be processed in as timely a manner as possible by  
17 the City; and

18 F. To provide for appointment of a Referee to assist in the administration and  
19 implementation of this Stipulation and to resolve any conflicts that may arise concerning  
20 interpretation or implementation of this Stipulation, provided that the Referee's authority to  
21 interpret, rule upon or overturn decisions of the City shall be limited to enforcement of the  
22 provisions of this Stipulation and otherwise shall be coterminous with the jurisdiction of this  
23 Court. No determination made by the Referee or by any party to this Stipulation, and no action  
24 taken pursuant to the terms of this Stipulation by the Referee or by any party to this Stipulation,  
25 shall constitute a finding of fact against the City for purposes of any other matter or proceeding  
26 which is not related to the implementation of this Stipulation.

27 3.0 Interim Wetlands Restoration. Pursuant to the Original Stipulation and the First  
28 Amended Stipulation, Petitioners and PCC agreed that PCC would pay up to \$1,375,000 to

1 achieve various interim restoration measures, including public education and related  
2 administrative expenses, benefiting the Ballona Wetlands. Such amount has heretofore been  
3 paid in full, and PCC's obligations under the Original Stipulation and First Amended Stipulation  
4 with respect to the funding of such interim restoration measures have been satisfied in full.

5       4.0     Development and Financing of Traffic and Ecological Infrastructure  
6 Improvements and Other Infrastructure Improvements.

7       4.1     PCC's Obligation. Except as expressly provided to the contrary below, PCC may  
8 not Develop any phase of the Project pursuant to a final map or maps covering such phase unless  
9 PCC concurrently causes to be Developed (or provides for the Development of) those portions of  
10 the Traffic and Ecological Infrastructure Improvements (subject to modification as permitted  
11 herein) which may be imposed as a condition to such final map or maps by the City, provided,  
12 however, that PCC may not complete Development of the final phase of the Project unless it has  
13 concurrently caused to be Developed (or provided for the Development of) all of such Traffic  
14 and Ecological Infrastructure Improvements. Notwithstanding the foregoing, (a) since the City  
15 has determined that Development of the Recycling Facilities is not feasible, PCC shall not have  
16 any obligation to Develop such facilities, (b) since PCC, in conjunction with its transfer to WCB  
17 of Area A and portions of Area B and its relinquishment and waiver of its remaining rights under  
18 the Area C Agreements to purchase Area C, has relinquished and waived its easement rights to  
19 extend Playa Vista Drive (formerly Bay Street) from its present terminus in Tract No. 49104-03  
20 across the Ballona Channel and through Area C to an intersection with Culver Boulevard and in  
21 light of the provisions of Section 66412.8 of the Government Code and Section 21080.29 of the  
22 Public Resources Code, the construction of such traffic improvement, which is both a mitigation  
23 measure under the First Phase Project EIR and a condition of approval to Vesting Tentative Tract  
24 Map No. 49104, shall not be required, and (c) to the extent any modifications to the Traffic and  
25 Ecological Infrastructure Improvements do not result in an impact to the Freshwater Wetland  
26 System or any habitat restoration, protection or recreational use of Area A, Area B and Area C  
27 that is materially more adverse than the impacts that would have been generated if the portion of  
28 the Traffic and Ecological Infrastructure Improvements being modified had been Developed, the

1 City may, if requested by PCC and in compliance with all applicable Laws, modify the Traffic  
2 and Ecological Infrastructure Improvements.

3 4.2 Public Financing Mechanism. The Parties acknowledge that to finance the cost of  
4 a portion of the Traffic and Ecological Infrastructure Improvements and such other public  
5 infrastructure as may be imposed upon PCC in connection with obtaining Regulatory Approvals  
6 for Development of the Project or otherwise necessary or desirable for such Development, PCC  
7 intends to request the use of various Public Financing Mechanisms. The City will cooperate with  
8 PCC and use its best faith efforts, including, without limitation, the establishment of joint powers  
9 authorities, the entry into lead agency arrangements, joint community facilities agreements, and  
10 other financing techniques and/or agreements to the extent necessary to facilitate use of such  
11 Public Financing Mechanisms to finance portions of the Traffic and Ecological Infrastructure  
12 Improvements, as set forth in Exhibit Q attached hereto, or similar improvements which are  
13 eligible for such financing, provided the City's fee interest in any property shall be exempt from  
14 any such tax or assessment. Nothing in this Section 4.2 shall abridge the City's discretion in  
15 evaluating the financial merits of any such bonds to be issued or the merits of establishing any  
16 such joint powers authority, lead agency arrangement, joint community facilities agreement or  
17 other financing techniques or agreements, and its discretion not to issue such bonds or enter into  
18 such agreements for the above reasons. As between the City and PCC, PCC shall be solely  
19 responsible for any and all costs incurred by the City in connection with the provision of such  
20 public financing requested by PCC or otherwise required by the City, provided, however, that  
21 such costs may be included, either directly or as reimbursements in the amounts publicly  
22 financed.

23 5.0 Wetlands Restoration Plan. The Original Stipulation contemplated the  
24 formulation and implementation of a Wetlands Restoration Plan in portions of Area B and  
25 Exhibit J to the Original Stipulation and the First Amended Stipulation established a Restoration  
26 Fund and limited the ability of PCC to develop the Revised Playa Vista Plan beyond its First  
27 Phase Project until such time as it had funded the Construction Fund portion of the Restoration  
28 Fund. As a result of PCC's conveyance to WCB of Area A, and a portion of Area B and the

1 waiver and relinquishment by PCC of its rights under the Area C Agreements to purchase  
2 Area C, PCC, Petitioners and the Wetlands Foundation shall no longer be responsible for  
3 planning and implementing the Wetlands Restoration Plan, PCC shall have no obligation to  
4 create or fund the Restoration Fund or any portion thereof other than its obligation to fund  
5 interim restoration measures as set forth in Section 3, above (which obligation has been fully  
6 satisfied), and there shall be no restriction relating thereto upon PCC's ability to complete the  
7 Project in Area D. In addition, there shall be no restriction or obligation imposed upon WCB by  
8 reason of its ownership of Area A, the portion of Area B acquired pursuant to the WCB Purchase  
9 Agreement, or Area C, and no restriction upon the real property constituting Area A, the portion  
10 of Area B acquired by WCB pursuant to the WCB Purchase Agreement, and Area C arising out  
11 of or relating to the Original Stipulation, the First Amended Stipulation or this Stipulation.  
12 Nothing contained in this Section 5.0 shall eliminate or otherwise affect any obligation,  
13 restriction or constraint arising under, or by reason of, the First Phase Approvals.

14       6.0     Ballona Discovery Center. PCC has agreed with Petitioners to designate a  
15 location within the First Phase Project Area for, and to create a process for the design and  
16 construction of, an outdoor wetlands interpretive center as more particularly set forth on  
17 Exhibit R. In addition, PCC and Petitioners have agreed that PCC and the Friends of Ballona  
18 Wetlands will provide for partial funding of, and that PCC and the Friends of Ballona Wetlands  
19 will attempt to raise additional funding for, such center, all as set forth on Exhibit R.

20       7.0     Rights to Develop, Reservations, Limitations and Exceptions. If and when a  
21 tentative map(s) is approved by the City for Development within Area D, and regardless of any  
22 subsequent inconsistent Land Use Regulations enacted by the City, the only Land Use  
23 Regulations which may be applied by the City to the Development of Area D, the recordation of  
24 a final map (subject to complying with all conditions of such tentative map(s)) and the issuance  
25 of permits pursuant thereto shall be the Effective Land Use Regulations, together with the  
26 following:

27             A.     Laws increasing or establishing new taxes, fees, rates and charges imposed  
28 with respect to processing of subsequent Applications for Development within Area D, or with

1 respect to utility hook-up or public capital improvement projects or buy-ins, so long as such fees  
2 and charges are:

- 3 (1) of general application within the jurisdiction of the City,
- 4 (2) related directly to the actual cost of application processing, and
- 5 (3) proportionate and limited to the portion of the reasonable estimated  
6 cost of the capital improvement which is of direct benefit to PCC.

7 B. Laws which are consistent with the Effective Land Use Regulations and  
8 the intent and terms of this Stipulation and which do not materially interfere with or establish  
9 limitations upon the Development of Area D or the rate or phasing of such Development.

10 C. Existing and future state and federal Laws, together with any Land Use  
11 Regulations required thereby to be undertaken to comply with such state and federal Laws which  
12 are reasonable and consistent with the assurances provided to PCC under this Stipulation and  
13 only upon satisfaction of the "meet and confer" procedure set forth in Section 11.2 below.  
14 Subject to Section 11.2 below, if any such state or federal Laws or such Land Use Regulations  
15 prevent compliance with any provisions of this Stipulation, such provisions will be modified or  
16 suspended as may be necessary to comply with the state and federal Laws, and the remaining  
17 provisions of this Stipulation will remain in effect to the extent that the performance of such  
18 remaining provisions would be consistent with the intent of this Stipulation.

19 D. Land Use Regulations of general application adopted by the City that are  
20 reasonably necessary to protect the public health and safety.

21 E. Present and future Building and Improvement Standards, except those:  
22 (1) significantly reducing the amount of land within Area D usable for  
23 structures and improvements;  
24 (2) limiting the density and intensity of Development or the rate or  
25 phasing of Development within Area D; or

26 F. Processing fees and charges required by the City under current or future  
27 Laws covering the actual costs of the City in:

- 28 (1) processing Applications, and

1 (2) monitoring compliance with any permits or approvals granted or  
2 the performance of any conditions imposed by the City.

3 G. Discretionary authority and approvals vested in the City which do not  
4 regulate, govern or affect the land use designations, densities, intensity, timing, sequencing,  
5 phasing or rate of Development within Area D, including building permit review and plot plan  
6 review.

7 Notwithstanding the foregoing, as the City and PCC have entered into a valid and  
8 enforceable development agreement pursuant to Section 65865 of the California Government  
9 Code with respect to the portion of Area D constituting the Village Property, except as provided  
10 below, the provisions of this Section 7.0 shall not be applicable to the Village Property and, with  
11 respect to the subject matter of this Section 7.0, the Village Property shall be subject to and  
12 benefited by the terms and conditions of said development agreement. If, however, a court were  
13 to find the development agreement for the Village Property to be invalid or unenforceable,  
14 Section 7.0 would apply to the Village Property unless and until a new, valid and final  
15 development agreement for the Village Property were entered into by the City and PCC.

16 8.0 Obligations of the Parties.

17 8.1 Obligations of the City. The Parties acknowledge that coordination of the  
18 processing of Applications through the City will be complex. Accordingly, to facilitate this  
19 complex process, the Parties agree that the following will be the Obligations of the City:

20 A. Process Applications and review all documentation related to the  
21 Applications completely and thoroughly in as timely a manner as possible.

22 B. Timely notice and hold all public hearings required for the review of the  
23 Applications consistent with legal requirements.

24 C. Issue permits that may be granted by the City at the earliest possible date  
25 consistent with the legal authority of the City.

26 D. In processing the Applications, the City will cooperate with all other  
27 Public Agencies to review and process the Applications in as timely a manner as possible.  
28

1 E. The City will support any Development consistent with the Project by  
2 expeditiously processing PCC's application for approval of subdivision maps, plot plans, and  
3 issuance of building permits pursuant to Existing Development Approvals and intervening  
4 Regulatory Approvals.

5 8.2 Obligations of PCC. PCC will timely undertake to:

6 A. Except as the following may from time to time be modified as permitted  
7 under Recital H and elsewhere in this Stipulation, Develop the previously approved First Phase  
8 Project only in conformity with its First Phase Approvals, Develop the Village Property only in  
9 conformity with the approved Village at Playa Vista Project and Develop the Traffic and  
10 Ecological Infrastructure Improvements in conjunction with the First Phase Project and the  
11 Village at Playa Vista Project as set forth in this Stipulation.

12 B. Participate in the planning process for design of the Ballona Discovery  
13 Center and provide for funding thereof and perform such other responsibilities as are set forth in  
14 Section 6.0, above, and Exhibit R.

15 C. Maintain the Freshwater Wetland System in accordance with the  
16 requirements of the Section 404 Permit and the Coastal Development Permit and provide  
17 financial assurances regarding the future performance of such obligation as set forth in Section  
18 27.0 below.

19 D. Pay for Petitioners' reasonable attorneys' fees in accordance with Section  
20 25.3 below.

21 E. Pay for costs of the Referee in accordance with Section 25.5 below.

22 8.3 Obligations of Petitioners. Petitioners will timely undertake to:

23 A. Participate in the planning process for design of the Ballona Discovery  
24 Center and attempt to raise funding for its implementation and perform such other  
25 responsibilities as are set forth in Section 6.0, above, and Exhibit R.

26 9.0 Court's Continuing Jurisdiction. The Parties desire to conclude in as timely a  
27 manner as possible any question or issue that arises concerning the interpretation of this  
28

1 Stipulation, or the approval and implementation of the Project. To that end, the Parties request  
2 the Court to:

3 (1) retain continuing jurisdiction over this matter through the term of  
4 this Stipulation for the purpose of resolving disputes concerning interpretation and  
5 implementation of this Stipulation;

6 (2) appoint a Judge "for all purposes" to rule on any matter raised  
7 relating to the subject matter of this Stipulation, and in the event such Judge retires, dies,  
8 becomes incapacitated or otherwise ceases to be a judge of the Superior Court, appoint a  
9 replacement Judge "for all purposes." It is the intent of the Parties, subject only to the Court's  
10 availability, to have the appeal of any ruling of the Referee submitted to the Court for prompt  
11 determination;

12 (3) provide in the Judgment that the appointed Judge will overturn or  
13 modify a ruling of the Referee only if he or she finds such ruling is erroneous as a matter of law  
14 or is unsupported by substantial evidence as that standard of review is defined under Code of  
15 Civil Procedure Section 1094.5 and interpretive case law.

16 The Parties waive any rights to contest the Court's continuing jurisdiction or the power of the  
17 Court to appoint a "Judge for all purposes" and a Referee.

18 10.0 Referee. To expedite resolution of any issues or disputes that may arise, the  
19 Parties desire to have a Referee appointed by the Court to serve as a facilitator for the Parties in  
20 the implementation of this Stipulation. The Parties agree to seek the ruling or arbitration of the  
21 Referee on any matters or disputes that may arise in connection with the implementation or  
22 interpretation of this Stipulation, provided that the Referee's authority to overturn decisions of  
23 the City shall be limited to enforcement of the provisions of this Stipulation and otherwise shall  
24 be coterminous with the jurisdiction of the Court. Any decision of the Referee relating to the  
25 interpretation or implementation of this Stipulation will be binding on the City only with respect  
26 to the Stipulation and shall not constitute a factual finding or determination in any other  
27 proceeding which is not related to the implementation of this Stipulation.

28

1           10.1   Appointment of Referee. Accordingly, as a general reference by agreement of the  
2 Parties, pursuant to Section 638 of the California Code of Civil Procedure, the Parties hereby  
3 request that the Court confirm the appointment of Daniel P. Selmi to serve as a Referee for the  
4 Court to administer the implementation of and resolve any disputes arising under this Stipulation.  
5 The Parties waive any requirements that the Referee be a resident of Los Angeles County.

6           10.2   Replacement of Referee. If the Referee is unable to continue as the Referee at  
7 any time during the term of this Stipulation, the Parties shall attempt to reach unanimous  
8 agreement upon a successor. If the current Referee is available, he or she shall assist in resolving  
9 any conflicts between the Parties regarding selection of the new Referee. If the Parties are  
10 unable to agree upon the selection of the new Referee within 30 days from the date of the Court's  
11 notice of the current Referee's inability to continue, the Court will appoint a successor Referee  
12 giving due consideration to the desires of the Parties and the similarity of the background and  
13 experience of the candidates to those of the current Referee.

14           10.3   Authority of Referee. The Parties agree that the rights, duties and authority of the  
15 Referee will be as follows:

16                   A.     To obtain from each party as the Referee may request copies of  
17 correspondence, documents, plans, maps, Applications, notices, transcripts of public hearings,  
18 public notices, EIRs, reports, studies, and all other similar information and material transmitted  
19 by or between one or more of the Parties relating directly to the actions contemplated in this  
20 Stipulation, subject to privileges under the law, including, without limitation, the attorney-client  
21 privilege.

22                   B.     To order a Party that fails to discharge one or more of its Obligations on a  
23 timely basis to do so.

24                   C.     Upon the request of a Party, to rule on issues or questions of fact or law  
25 arising from the interpretation, administration, or implementation of the provisions of this  
26 Stipulation, provided that the Referee's authority to overturn decisions of the City shall be  
27 limited to the enforcement of the provisions of this Stipulation and otherwise shall be  
28 coterminous with the jurisdiction of the Court.

1           D.     Upon the request of one or more of the Parties, to rule upon whether a  
2 proposed modification to the Project or to any of the Traffic and Ecological Infrastructure  
3 Improvements would result in the Project as modified having an impact on the Freshwater  
4 Wetland System or any habitat restoration, protection or recreational use of Area A, Area B or  
5 Area C which is materially more adverse than the impacts that would have been generated had  
6 Area D been fully built out in accordance with the First Phase Approvals and the Village at Playa  
7 Vista Project or had the Traffic and Ecological Infrastructure Improvements been developed  
8 without such modification. The Referee's ruling shall be based on a proceeding before the  
9 Referee conducted in full compliance with the requirements of Code of Civil Procedure Sections  
10 1094.5 and/or 1085 (as may be applicable to the claims raised) including, but not limited to,  
11 applicable statutes of limitations. Upon the request of a Party to such proceeding, the judgment  
12 shall be severed from the remainder of this Action and shall be separately appealable.

13           E.     Upon the request of one or more of the Parties, to rule upon whether a  
14 Development Exaction imposed on the Project is a Permitted Development Exaction, including,  
15 without limitation, whether PCC's judgment that a Development Exaction(s) renders the Project  
16 infeasible, and therefore not a Permitted Development Exaction, was made in good faith. The  
17 Referee's ruling shall be based on a proceeding before the Referee conducted in full compliance  
18 with the requirements of Code of Civil Procedure Sections 1094.5 and/or 1085 (as may be  
19 applicable to the claims raised) including, but not limited to, applicable statutes of limitation.  
20 Upon the request of a Party to such proceeding, the judgment shall be severed from the  
21 remainder of this Action and shall be separately appealable. Notwithstanding the foregoing, the  
22 authority of the Referee under this Stipulation will not limit in any manner the City's exercise of  
23 its discretion and independent review, analysis and judgment under CEQA.

24           F.     Upon the request of any interested Party, to rule on issues relating to the  
25 award and payment of attorneys' and consultants' fees and costs pursuant to this Stipulation.

26           G.     Upon the request of one or more of the Parties, to rule on whether a Party  
27 may exercise its right to terminate this Stipulation and vacate the Judgment based upon the  
28 occurrence of one or more of the conditions set forth in Section 14.0 below.

1 H. Upon the request of one or more of the interested Parties, to rule on  
2 whether the right of one or more of the other Parties to terminate this Stipulation and vacate the  
3 Judgment based upon the occurrence of one or more of the Conditions set forth in Section 14.0  
4 below is extinguished because such condition has not occurred and there exists no reasonably  
5 foreseeable likelihood that the condition will occur.

6 I. To impose orders, sanctions, and penalties against any Party as available  
7 to a court of competent jurisdiction for non-compliance with this Stipulation or any valid order  
8 of the Court or the Referee.

9 J. Upon the request of one or more Parties following the retirement or  
10 withdrawal of the all-purpose judge in this action, to coordinate the Parties' efforts to apply for a  
11 successor all-purpose judge to be appointed.

12 K. To enforce any and all agreements reached between any Parties relating to  
13 the subject matter of this Stipulation and the Judgment, if entered into with the participation and  
14 approval of the Referee.

15 10.4 Procedures for Referee. The following will apply to matters submitted to the  
16 Referee:

17 A. The Referee will adhere to the California Rules of the Court and the  
18 California Evidence Code concerning any matter submitted before him/her.

19 B. The Referee will hear and issue a ruling on any matter submitted to  
20 him/her by any Party or any third party within 15 days from the submission of the matter to the  
21 Referee. All rulings of the Referee will be binding upon all of the Parties and any third parties to  
22 whom the Court's continuing jurisdiction may extend by operation of law or by the consent of  
23 such third parties, subject to the exercise of appellate rights by any Party pursuant to Sections  
24 10.4 F and G below.

25 C. No ruling by the Referee shall have the effect of interfering with the  
26 legislative and/or quasi-judicial discretionary authority of the City except to the extent otherwise  
27 vested in a Court of competent jurisdiction and the Referee shall abide by Code of Civil  
28

1 Procedure §§ 1085 and 1094.5 for review of Party Agency decisions, with respect to the  
2 processing and determination of Regulatory Approvals.

3 D. All proceedings before the Referee will be transcribed by a court reporter  
4 unless waived by all Parties.

5 E. No discovery will be permitted in any proceeding before the Referee  
6 unless it is being conducted pursuant to Code of Civil Procedure §§ 1085 or 1094.5 in which  
7 event all Parties to such action will be entitled to discovery as permitted by law.

8 F. Appeals of a ruling of the Referee will be submitted solely to the Court  
9 retaining jurisdiction of this Action (except as provided in Section 10.3 D and E above, in which  
10 case the Referee's decision is a final judgment of the Court).

11 G. If an appeal of a Referee's ruling is not filed with the Court within ten  
12 days of notice of issuance by the Referee, the ruling will be deemed a final ruling of the Court.

13 H. Any ruling of the Referee will be without prejudice to any third party to  
14 pursue remedies available at law to review a decision of the City, subject to this Court's  
15 continuing jurisdiction in this Action and its authority to join third party actions to this Action to  
16 the fullest extent permitted under law.

17 Provided, however, that nothing contained in this Section 10.4 shall, preclude or impair the  
18 City's procedural rights under the law in any proceeding or action to pursue remedies available  
19 in law or equity brought before the Referee or the Court challenging the City's grant or denial of  
20 a Regulatory Approval or imposition of a Development Exaction.

21 11.0 Subsequent Laws.

22 11.1 Suspension of Affected Provisions. If any federal or state Law (other than a Law  
23 adopted by a Public Agency) made or enacted after the Effective Date or an injunction or other  
24 order is issued on behalf of any third party claim which prevents or precludes compliance with  
25 one or more provisions of this Stipulation, then the provisions of this Stipulation will, to the  
26 extent feasible and only after the Parties have met and conferred pursuant to Section 11.2 below,  
27 be modified or suspended as may be necessary to comply with such new Law or injunction.  
28

1           11.2 Parties to Meet and Confer. Prior to the suspension or modification of any  
2 provision of this Stipulation pursuant to the adoption of any new federal or state Law, each of the  
3 Parties will have the right to challenge any such new Law or injunction which prevents  
4 compliance with the terms of this Stipulation and, if such challenge is successful, this Stipulation  
5 will remain unmodified and in full force and effect. Immediately after enactment or  
6 promulgation of any such new Law or issuance of any such injunction or other order, the Parties  
7 will meet and use their best efforts to determine the impact that any such modification or  
8 suspension has on the purposes and intent of this Stipulation and to prepare a response, challenge  
9 or appeal of such new Law or injunction with the purpose of effectuating the purpose or intent of  
10 this Stipulation. In addition to the foregoing, prior to the adoption by the City of a Law pursuant  
11 to a state or federal law or mandate which may be applicable to the Project, the appropriate  
12 officials of the City shall meet and confer with representatives of PCC (and the Petitioners if  
13 application of such new Law would adversely impact the Freshwater Wetland System) and use  
14 their best efforts in good faith to ensure that the City's new Law as applied to the Project would  
15 be the alternative, among all of the practicable and reasonable alternatives available to the City to  
16 comply with such state or federal law, which is the least likely to adversely affect the Project,  
17 including the Freshwater Wetland System.

18           12.0 Processing of Development Approvals During Third Party Litigation. The filing  
19 of third party lawsuits against a Party relating to this Stipulation or to other issues will not be a  
20 reason to delay or stop the processing of the Applications, Development of the Project, or the  
21 issuance of building and other permits, unless the third party obtains a court order preventing  
22 such activity.

23           13.0 Term of Stipulation. This Stipulation and the Judgment will terminate 15 years  
24 from the date of Entry of Judgment (defined in Section 25.3 below), unless terminated earlier or  
25 extended upon the written consent of the Parties.

26           14.0 Conditions. The following provisions are merely conditions to certain parties'  
27 obligations under this Stipulation and shall not be interpreted to abridge in any manner the rights  
28 of the City to exercise its full governmental discretion in evaluating any Applications or other

1 matters, as provided for in this Stipulation. The Parties acknowledge that they have each entered  
2 into this Stipulation for the purpose of achieving certain interests in the Development of Area D.  
3 The Parties further acknowledge that approval of and Development pursuant to the First Phase  
4 Approvals and the proposed Village at Playa Vista Project may not be accomplished due to  
5 contingencies beyond their control. Accordingly, the following shall constitute Conditions the  
6 occurrence of which will give rise to the right (as set forth below) to seek termination of this  
7 Stipulation and vacation of the Judgment:

8           A.     Inclusion by a Public Agency, in the exercise of its discretionary authority,  
9 of a Development Exaction not set forth in the EIR for the Village at Playa Vista Project as a  
10 condition of approval of the Project or any modification thereof, the inclusion of which, in the  
11 sole but good faith judgment of Petitioners, would significantly and adversely impact the  
12 Freshwater Wetland System or any habitat restoration, protection or recreational use of Area A,  
13 Area B or Area C.

14           B.     Imposition of a Prohibited Development Exaction.

15           C.     In the event a court overturns the City's approval of the Village at Playa  
16 Vista Project, failure of the City, in the exercise of its discretionary authority, to approve in all  
17 material respects an alternative project for the Village Property.

18           D.     Failure of the City to authorize and implement Public Financing  
19 Mechanisms in such a manner as to accommodate Development of the Project in an economic  
20 and timely manner as follows: (i) removing the Mello-Roos lien on the portion of Area B owned  
21 by the State and included in City of Los Angeles Community Facilities District No. 5 (Playa  
22 Vista – Master Plan) (“CFD 5”) either by amending CFD 5 to delete said property from the  
23 CFD’s boundaries or by dissolving CFD 5 and forming a community facilities district that  
24 replaces CFD 5; and (ii) issuance of Mello-Roos bonds yielding not less than \$165 million (in  
25 2003 dollars) [over and above the provision in April 2003 of \$101,781,522 of Net Bond  
26 Proceeds with respect to City of Los Angeles Community Facilities District No. 4 (Playa Vista –  
27 Phase 1)] in Net Bond Proceeds (which is defined as the face amount of the bonds, net of  
28 original issue discount, underwriter’s spread, issuance costs, capitalized interest, reserve funds,

1 formation expenses and other similar items) available for Development and/or acquisition of the  
2 Traffic and Ecological Infrastructure Improvements shown on Exhibit Q prior to December 31,  
3 2006 (or such later date as may be requested by PCC), with not less than \$90,000,000 (in 2003  
4 dollars) (or such lesser amount as may be requested by PCC) of Net Bond Proceeds on deposit  
5 with one or more bond trustees by June 30, 2006 (or such later date as may be requested by PCC)  
6 in connection with CFD 5 or the Replacement CFD, and not less than \$75,000,000 (in 2003  
7 dollars) of Net Bond Proceeds on deposit with one or more bond trustees by December 31, 2006  
8 (or such later date as may be requested by PCC) in connection with City of Los Angeles  
9 Community Facilities District No. 6 (The Campus at Playa Vista). Nothing in this Section  
10 14.0 D shall abridge the City's discretion in evaluating the financial merits of any such bonds to  
11 be issued or the merits of establishing any joint powers authority, lead agency arrangement or  
12 other financing techniques and their discretion not to issue such bonds or enter into such  
13 agreements for the above reasons, provided, however, that the failure of the City to take the  
14 actions set forth in the first sentence of this Section 14.0 D shall constitute a failure of this  
15 Section 14.0 D, regardless of the reasons for failure to so act. In the event the City fails to  
16 authorize and implement Public Financing Mechanisms in accordance with the first sentence of  
17 this Section 14.0 D, PCC shall provide written notice of such failure to Petitioners.  
18 Notwithstanding any other provision of this Stipulation and Judgment, PCC shall not be entitled  
19 to exercise its remedy under Section 16 hereof to rescind this Stipulation and Judgment by  
20 reason of the failure of the conditions set forth in this Section 14.0 D until 180 days following  
21 the giving of such written notice to Petitioners.

22 E. The levy of Mello-Roos special taxes by City of Los Angeles Community  
23 Facilities District No. 5 (Playa Vista – Master Plan) (“CFD 5”) on the portion of Area B owned  
24 by the State and currently included in CFD 5.

25 F. The existence of a final court order or judgment in any litigation  
26 (including as a result of any petition to the Court and/or the Referee in the Action) arising  
27 between the Parties, or brought by a third-party challenging the interpretation or validity of any  
28

1 matters within the scope of this Stipulation, which order or judgment frustrates the operation of  
2 this Stipulation with respect to the approval or implementation of the Project.

3           G.     PCC seeking approval from a Public Agency or for any Regulatory  
4 Approval of any modification to the Project or the Traffic and Ecological Infrastructure  
5 Improvements which would result in the Project as modified having an impact on the Freshwater  
6 Wetland System or any habitat restoration, protection or recreational use of Area A, Area B or  
7 Area C that is materially more adverse than the impacts which would have been generated, as  
8 applicable, had Area D been fully built out in accordance with the First Phase Approvals and the  
9 Village at Playa Vista Project or had the Traffic and Ecological Infrastructure Improvements  
10 been developed without such modification.

11           15.0   Petitioners' Remedies. Petitioners shall have the right to seek to vacate the  
12 Judgment upon the occurrence of any of the Conditions set forth in Sections 14.0 A, 14.0 B and  
13 14.0 G.

14           16.0   PCC Remedies.

15           16.1   Vacate Judgment. PCC shall have the right to seek to vacate the Judgment upon  
16 the occurrence of any of the Conditions set forth in Sections 14.0 C, 14.0 D, 14.0 E, 14.0 F or  
17 14.0 G, upon the earlier of:

18                   A.     The occurrence of such Condition; or

19                   B.     The existence of no reasonable probability (as determined by the Referee)  
20 that the Condition would become fulfilled in a timely manner.

21                   PCC's right to seek to vacate the Judgment shall terminate if all Parties have  
22 performed their Obligations and the final Regulatory Approvals necessary to effectuate the First  
23 Phase Project and the Village at Playa Vista Project have been granted.

24           16.2   Remedies for Denial of Approved Development. If the City fails to issue a permit,  
25 approval or order, or to take other necessary action (including the recordation of a final map  
26 upon compliance with all conditions of the corresponding tentative map) to effectuate the First  
27 Phase Project or the Village at Playa Vista Project as finally approved pursuant to an approved  
28 tentative map, PCC will have the right to an immediate entry of the Court's injunctive order

1 directing the City to do so. Notwithstanding the foregoing, this Section 16.2 shall not be  
2 interpreted to preclude the City's exercise of a subsequent discretionary action required by Law  
3 of the nature permitted under Section 7.0 above.

4       17.0 Rights to Cure and Procedure for Vacating. No Party may seek to vacate or assert  
5 any right based on a defect arising from the occurrence of a Condition or on the breach of this  
6 Stipulation by another Party, unless the vacating or asserting Party has first delivered a written  
7 notice to all of the other Parties specifying the nature of the defect. If the defect is of such a  
8 nature that it may be cured, any Party may within 30 days after service of such notice cure such  
9 defect or if the defect cannot be cured within 30 days, any Party may within such 30 day period  
10 commence and thereafter diligently pursue the cure of such defect until completed. If a defect is  
11 not cured within such time period, the Party asserting such right to vacate may within 30 days  
12 thereafter request the Referee to rule that such Party may terminate this Stipulation and enter an  
13 order vacating the Judgment. Provided, however, that occurrence of the following Conditions  
14 will be deemed to be incurable, and, therefore, a Party may seek the Referee's ruling terminating  
15 this Stipulation and/or an order vacating the Judgment without first providing notice and a right  
16 for cure of the defect as set forth above, unless the Party or Parties having the right to vacate or  
17 assert a right based on such occurrence under this Stipulation either waive(s) the fulfillment of  
18 such condition(s) or consent(s) to its cure:

19           A. Denial of an Application necessary to effectuate in all material respects  
20 the First Phase Project or the Village at Playa Vista Project, including the Freshwater Wetland  
21 System component of those projects; or

22           B. The Imposition of more than the Permitted Development Exactions or any  
23 Prohibited Development Exaction as set forth in Section 14.0 C, subject, however, in the case of  
24 Permitted Development Exactions, to the right of appeal set forth in Section 12.3 E.

25       18.0 Effect of Remedies. Upon a ruling by the Referee that a Party has the right to  
26 terminate this Stipulation and vacate the Judgment, all Parties will be discharged from their  
27 further respective rights and Obligations under this Stipulation, and the Parties will insofar as  
28 possible be fully restored to their respective positions in the Action without prejudice. If the

1 Judgment is vacated because of the occurrence of a Condition (unless such vacation occurs as a  
2 result of a default of PCC in the performance of one of its Obligations in this Stipulation): all  
3 Regulatory Approvals granted through such date shall survive the vacation of the Judgment and  
4 shall remain subject to applicable conditions of approval for such Regulatory Approvals (but  
5 without prejudice to PCC asserting its rights under Section 7).

6 18.1 Ruling of Non-Occurrence of Conditions. Any interested Party may seek a ruling  
7 from the Referee that the right of one or more of the other Parties to seek termination of this  
8 Stipulation and vacation of the Judgment based upon the occurrence of one or more of the  
9 Conditions set forth in Section 14 above is extinguished because such Condition has not occurred  
10 and there exists no reasonably foreseeable likelihood that the Condition will occur.

11 19.0 General Releases. Each Party executing this Stipulation has heretofore executed  
12 and hereby ratifies the continued validity of, a conditional general release in the form of  
13 Exhibit E attached hereto, releasing each of the other Parties from any liabilities arising from the  
14 allegations and causes of action advanced in the Action, subject to the sole condition that the  
15 release is revocable upon the vacation of the Judgment in accordance with this Stipulation.

16 20.0 Authorization. Each Party has expressly authorized its attorney to execute this  
17 Stipulation on its behalf and bind it and its respective heirs, executors, administrators, officers,  
18 directors, shareholders, divisions, subsidiaries, agents, employees, successors, assigns,  
19 principals, partners, joint venturers, insurance carriers and any others who may claim through it  
20 to this Stipulation.

21 21.0 Additional Documents and Instruments. Each Party agrees to execute and deliver  
22 to the other Parties, any and all additional documents, instruments, and agreements required and  
23 to take such additional actions as are required to implement this Stipulation.

24 22.0 Cooperation of the Parties. Each of the Parties agrees to cooperate with each and  
25 every other Party in doing all acts contemplated or required under this Stipulation.

26 23.0 Waiver; Remedies Cumulative. Waivers of rights or conditions under this  
27 Stipulation will be governed by the following principles:  
28

1           A.     Failure by a Party to insist upon the strict performance or object to the  
2 non-fulfillment of any of the provisions or Conditions of this Stipulation by another Party,  
3 irrespective of the length of time for which such failure continues, will not constitute a waiver of  
4 such Party's right to demand strict compliance by such other Party in the future.

5           B.     No waiver by a Party of a default or breach of the other Party or the non-  
6 fulfillment of a Condition will be effective or binding upon such Party unless made in writing by  
7 such Party, and no such waiver shall be implied from any omission by a Party to take any action  
8 with respect to such default, breach or non-fulfillment of a Condition.

9           C.     No express waiver of any default, breach or non-fulfillment of a Condition  
10 shall affect any other default, breach or non-fulfillment of a Condition, or cover any other period  
11 of time, other than any default, breach or non-fulfillment of a Condition and/or period of time  
12 specified in such express waiver.

13           D.     One or more written waivers of a default, breach or non-fulfillment of a  
14 Condition under any provision of this Stipulation shall not be deemed to be a waiver of any  
15 subsequent default, breach, or non-fulfillment of a Condition and the performance of the same or  
16 the non-fulfillment of another Condition or any other term or provision contained in this  
17 Stipulation.

18           E.     All of the remedies permitted or available to a Party under this Stipulation  
19 or at law or in equity, shall be cumulative and alternative to the extent such right would not be  
20 inconsistent with any other term or provision of this Stipulation, and invocation of any such right  
21 or remedy shall not constitute a waiver or election of remedies with respect to any other  
22 permitted or available right or remedy.

23           24.0   Transfers, Assignments and CC&Rs.

24           24.1   Right to Assign. PCC shall have the right to assign and transfer its rights and  
25 duties under this Stipulation to a transferee of substantially all of Area D owned by PCC at the  
26 time of such transfer (or, after subdivision of any portion of Area D, to a transferee of  
27 substantially all of the area covered by such subdivision or any final map unit within such  
28 subdivision as such rights and duties relate to that area) and thereafter be released from any

1 further Obligations under this Stipulation as to such area so transferred, provided that such  
2 transferee agrees to perform PCC's Obligations under this Stipulation with respect to the area so  
3 transferred and is substituted as to the area so transferred as a real party in interest in this Action.

4       24.2   Release Upon Transfer. Upon PCC's delegation of its duties and obligations  
5 hereunder in accordance with Section 24.1 above, PCC will be released from its obligations  
6 under this Stipulation and the Judgment with respect to the portion of Area D so transferred.

7       25.0   Attorneys', Consultants' Fees and Referees' Fees.

8       25.1   Costs of Settlement and Litigation. Each Party is responsible for its own costs,  
9 attorneys' fees, and any other fees or expenses incurred in connection with the preparation,  
10 execution and implementation of this Stipulation and the prior litigation of this Action, except as  
11 set forth in Sections 25.2 through 25.4, inclusive.

12       25.2   Petitioners' Past Fees. Pursuant to California Code of Civil Procedure Section  
13 1021.5 and to the provisions of the Petitioners/MTP-PV Agreement, MTP-PV agreed to pay  
14 certain amounts to CLIPI with respect to Petitioners' attorneys' fees and costs incurred in this  
15 Action through and including September 12, 1990. PCC, as successor-in-interest to MTP-PV,  
16 assumed this obligation. Portions of such fees and costs have heretofore been paid by PCC and  
17 its predecessors in interest and PCC and CLIPI have agreed in conjunction with their discussions  
18 regarding this Stipulation that PCC would pay CLIPI the lump sum amount of \$275,000 in full  
19 and complete satisfaction of the remaining balance of such obligation. Such amount has  
20 heretofore been paid in full and PCC is hereby discharged from any and all obligations for the  
21 payment of such fees and costs arising under the Petitioners'/MTP-PV Agreement, the Original  
22 Stipulation and the First Amended Stipulation.

23       25.3   Future Attorneys' and Consultants' Fees and Costs. PCC has paid all reasonable  
24 fees and costs incurred by Petitioners from September 12, 1990 through September 30, 2005 for  
25 attorneys and consultants retained by Petitioners in monitoring the implementation of the  
26 Original Stipulation as modified by the First Amended Stipulation and in connection with the  
27 negotiation and documentation of this Stipulation. From and after entry by the Court of its  
28 Judgment adopting this Stipulation ("Entry of Judgment"), Petitioners may apply to PCC on a

1 calendar year quarterly basis for payment of (or, if already paid, reimbursement for) all  
2 reasonable fees and costs incurred after September 30, 2005 for attorneys and consultants  
3 retained by Petitioners in monitoring the implementation of this Stipulation. PCC's obligation to  
4 pay such amounts shall be subject to the following limitations:

5           A.     The attorneys' and consultants' fees and costs arise in connection with  
6 representation (including preparation for such representation) of Petitioners in the discharge of  
7 Petitioners' Obligations and the protection of Petitioners' rights under this Stipulation, including,  
8 but not limited to:

9                   1.     appearances (including preparation for such representation) at  
10 hearings or meetings before Public Agencies with respect to requests by PCC for Regulatory  
11 Approvals for the Project which are not consistent with PCC's obligations under Section 8.2  
12 above; and

13                  2.     appearances by Petitioners' attorneys before the Referee and the  
14 Court relating to implementation and enforcement of this Stipulation;

15           B.     The attorneys' and consultants' fees and costs provided for by this  
16 Stipulation shall not include any amounts relating to Petitioners' or Friends of Ballona  
17 Wetlands':

18                   1.     participation in future planning for, and processing of permits or  
19 other Regulatory Approvals for, the restoration or preservation of natural resources in and/or  
20 recreational uses of Area A, Area B and/or Area C;

21                  2.     organizational or general administrative costs concerning the  
22 Friends of Ballona Wetlands, including without limitation, compensation of the executive  
23 director and/or any administrative or staff personnel or fundraising consultants to the Friends of  
24 Ballona Wetlands, accounting and bookkeeping costs, tax planning and tax status costs, clerical  
25 support costs, overhead costs, supplies and office rent or other occupancy expenses; and

26                  3.     participation in or activities relating to (including fundraising  
27 activities related to the financing of such projects and any negotiations relating to revisions to, or  
28 replacements of, the licenses or other agreements pursuant to which such projects are being

1 performed) (i) the sand dunes restoration project being conducted in Area B pursuant to the Non-  
2 Exclusive License Agreement dated as of December 1, 2003 by and between the Friends of  
3 Ballona Wetlands and PCC, (ii) the BOLD project being conducted in Area B pursuant to the  
4 Non-Exclusive License Agreement dated as of December 1, 2003 by and between PCC and the  
5 Wetlands Foundation, and (iii) the Ballona Discovery Center project being conducted in Area D  
6 and described in Exhibit R hereto;

7 C. The attorneys' fees and costs do not exceed the prevailing hourly rates in  
8 the Los Angeles metropolitan area for lawyers, paralegals and clerks of comparable experience  
9 in litigation matters;

10 D. The attorneys' fees and costs cover no more than the number of attorneys  
11 and paralegals reasonably necessary to provide effective representation; and

12 E. The consultants' fees and costs do not exceed prevailing rates in the Los  
13 Angeles metropolitan area for consultants of comparable experience in similar matters and are  
14 expended for consultants who have been approved by PCC in writing, which approval may not  
15 be unreasonably withheld.

16 F. Any dispute between PCC and Petitioners as to the amount and propriety  
17 of any items for which Petitioners seek payment or reimbursement pursuant to this Section 25.3  
18 may be referred to the Referee for resolution pursuant to Section 10.3 F, above.

19 25.4 Payment to Prevailing Party. If any Party brings an action or proceeding  
20 (including, without limitation, any cross-complaint, counterclaim, third-party claim or contested  
21 matter before the Referee) against another Party by reason of defaults or breach, or otherwise  
22 arising out of this Stipulation or seeks the Referee's ruling on any contested matter and the Court  
23 or Referee determines that such Party's action was frivolous, undertaken in bad faith or without  
24 any reasonable prospect of success, the prevailing Party in such action or proceeding shall be  
25 entitled to its costs and expenses of suit including, without limitation, reasonable attorneys' fees  
26 and, in the case of PCC, fees of the Referee in accordance with the provisions of California Code  
27 of Civil Procedure Section 128.5.

28

1           25.5   Payment of Referees' Fees. PCC shall pay the Referee's reasonable fees and  
2 costs related to the Referees' duties under this Stipulation.

3           25.6   Scope of Fees. Attorneys' fees under this Section 25.0 shall include reasonable  
4 attorneys' fees on any appeal, and in addition, a Party entitled to attorneys' fees shall be entitled  
5 to all other reasonable costs and expenses incurred in connection with such action, including the  
6 Referees' fees and costs.

7           26.0   [Reserved]

8           27.0   Financial Assurances to Petitioners for Maintenance of Freshwater Wetland  
9 System.

10          27.1   PCC Obligation. PCC is obligated under the Coastal Development Permit and  
11 under the Section 404 Permit to maintain the Freshwater Wetland System in perpetuity. To  
12 assure Petitioners that PCC's continuing obligations are adequately provided for, PCC shall  
13 establish a self-perpetuating funding mechanism acceptable in form and substance to the  
14 Referee. The assurances provided by PCC to Petitioners in this Stipulation are not intended to  
15 diminish or limit the right of the City to exercise its police power to enforce the Development  
16 Exactions, and notwithstanding this Stipulation, the City reserves any other legal right which  
17 may be available to it to require additional or different assurances from PCC in connection with  
18 the City's police power to enforce the Development Exactions. It is contemplated that such a  
19 funding mechanism will entail the formation of one or more community service organizations  
20 and homeowners associations and/or commercial property owners associations which  
21 associations shall have the power to impose assessments or liens on real property within the  
22 Project in amounts sufficient to cover such maintenance costs and that such organizations, or a  
23 not-for-profit entity financed by such organizations, will assume PCC's obligations under the  
24 Coastal Development Permit and the Section 404 Permit regarding future maintenance of the  
25 Freshwater Wetland System.

26          27.2   First Phase Property. Pursuant to the First Amended Stipulation, PCC and  
27 Petitioners agreed upon the structure of a funding mechanism, as described below, in satisfaction  
28

1 of PCC's obligations under Section 27.1 with respect to the First Phase Property (the "First  
2 Phase Funding Mechanism").

3 (a) As of May 18, 2006, the First Phase Funding Mechanism consists of a  
4 series of agreements and undertakings among the following entities:

- 5 • PCC;
- 6 • The Campus at Playa Vista Corporation, a California nonprofit public benefit  
7 corporation ("The Campus");
- 8 • Playa Vista Parks and Landscape Corporation, a California nonprofit public  
9 benefit corporation ("PVPAL");
- 10 • Playa Vista – Water's Edge, LLC, a Delaware limited liability company  
11 ("Water's Edge");
- 12 • Sterling Family Trust ("Sterling")
- 13 • Playa Vista Community Services (formerly known as The Club at Playa  
14 Vista), a California nonprofit public benefit corporation ("PVCS"); and
- 15 • The Ballona Wetlands Conservancy, a California nonprofit public benefit  
16 corporation (the "Conservancy").

17 The Campus is the master association for commercial property located in Tract  
18 No. 49104-04 and Tract No. 52092 of the First Phase Project. The Campus has the power to  
19 assess commercial property owners whose property is subject to the Declaration of Covenants,  
20 Conditions, Restrictions and Reservation of Easements for The Campus at Playa Vista ("The  
21 Campus CC&Rs"), recorded as Document No. 00 1917105 on December 8, 2000. A copy of  
22 The Campus CC&Rs as amended through May 18, 2006 is attached hereto as Exhibit F. Such  
23 assessments are secured by liens on the underlying property.

24 PVPAL is the master association for the residential portions of Vesting Tentative  
25 Tract No. 49104. It has the power to assess property owners whose property is subject to the  
26 Master Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for  
27 Playa Vista (the "PVPAL CC&Rs"), recorded as Document No. 00 0187083 on February 7,  
28

1 2000. A copy of the PVPAL CC&Rs as amended through May 18, 2006 is attached hereto as  
2 Exhibit G. Such assessments are secured by liens on the underlying property.

3 Water's Edge is the owner of Lots 6, 7 and 8 of Tract No. 49104-03. This  
4 property is not subject to The Campus CC&Rs or the PVPAL CC&Rs.

5 Sterling is the owner of a portion of Lot 33 of Tract No. 49104-04. This property  
6 is not subject to The Campus CC&Rs or the PVPAL CC&Rs.

7 PVCS was formed for the purpose of operating and maintaining various  
8 community facilities at Playa Vista. The primary source of funding for PVCS will be  
9 community enhancement fees generated by the resale of residential properties. In the interim, its  
10 operations are being funded through an Advance and Reimbursement Agreement with PCC  
11 (described below) and have been further assured by a guaranty from PVPAL for the benefit of  
12 the Conservancy.

13 The Conservancy is a Section 501(c)(3) tax-exempt charitable organization  
14 formed for the purpose of operating and maintaining the Freshwater Wetland System. The  
15 Conservancy has entered into Mutual Benefit Agreements dated December 14, 2000 with The  
16 Campus and with PVCS pursuant to which the Conservancy is obligated to operate and maintain  
17 the Freshwater Wetland System and The Campus and PVCS are each obligated to pay to the  
18 Conservancy a share of the costs incurred by the Conservancy in carrying out such obligation.  
19 Copies of the Mutual Benefit Agreements are attached hereto as Exhibit H and Exhibit I. As  
20 noted above, the Conservancy has also entered into a Guaranty of Payment under Mutual Benefit  
21 Agreement (the "Guaranty of Payment") with PVPAL, a copy of which is attached hereto as  
22 Exhibit J, pursuant to which PVPAL has guaranteed payment by PVCS of PVCS' monetary  
23 obligations under its Mutual Benefit Agreement with the Conservancy. The Conservancy has  
24 also entered into a Wetlands Maintenance Cost Sharing Agreement dated December 18, 2000  
25 with Water's Edge, a copy of which is attached hereto as Exhibit K-1. This agreement has been  
26 recorded against Lots 6, 7 and 8 of Tract No. 49104-03 as Document No. 00 1961845 and  
27 obligates Water's Edge to pay to the Conservancy a portion of The Campus' share of the costs  
28 incurred by the Conservancy in operating and maintaining the Freshwater Wetland System. The

1 Conservancy has also entered into a Wetlands Maintenance Cost Sharing Agreement dated  
2 March 28, 2006 with Sterling, a copy of which is attached hereto as Exhibit K-2. This agreement  
3 has been recorded against a portion of Lot 33 of Tract No. 49104-04 as Document No. 06-  
4 0653492 and obligates Sterling to pay to the Conservancy a portion of The Campus' share of the  
5 costs incurred by the Conservancy in operating and maintaining the Freshwater Wetland System.

6           The CC&Rs for the two master associations, contain certain provisions that are  
7 important components of the First Phase Funding Mechanism. In the PVPAL CC&Rs, Section  
8 2.3.10 sets forth the power and duty of PVPAL to perform its obligations under the Guaranty of  
9 Payment. Section 6.6.5 exempts this funding obligation from the various limitations otherwise  
10 imposed by Article 6 on PVPAL's ability to levy assessments. Section 13.12 further sets forth  
11 PVPAL's obligations under the Guaranty of Payment and Section 12.1.7 expressly accords the  
12 Conservancy a right of enforcement. In The Campus CC&Rs, Section 3.3.17 sets forth the  
13 power and duty of The Campus to perform The Campus' obligations under its Mutual Benefit  
14 Agreement with the Conservancy, and Section 12.4, expressly accords to the Conservancy the  
15 right to enforce the provisions of Section 3.3.17. Both CC&Rs contain provisions prohibiting  
16 any modification of these requirements without the consent of the Conservancy.

17           Pursuant to requirements of the California Department of Real Estate, PCC has  
18 entered into a Subsidy Agreement dated as of November 25, 2002 with PVPAL to subsidize the  
19 cost of PVPAL's operations until such time as PVPAL's revenue from homeowner assessments  
20 is sufficient to fund its operations. A copy of the Subsidy Agreement is attached hereto as  
21 Exhibit L. PCC has also entered into an Advance and Reimbursement Agreement dated as of  
22 December 23, 2002 with PVCS pursuant to which PCC is obligated to make payments to PVCS  
23 to subsidize its operations until such time as PVCS' revenues are sufficient to fund its operations.  
24 A copy of the Advance and Reimbursement Agreement is attached hereto as Exhibit M.

25           (b) To further implement the First Phase Funding Mechanism, PCC agrees to  
26 impose upon itself as well as all merchant builders and developers in Area D at Playa Vista the  
27 obligation to record a Community Enhancement Fee Agreement, attached hereto as Exhibit N, in  
28 favor of PVCS against all residential properties other than multi-family rental properties.

1           27.3   Village Property. PCC's obligations under Section 27.1 with respect to the  
2 Village Property shall be deemed to be satisfied at such time and to the extent the portion of such  
3 property which has been entitled for Development of residential, office or retail uses:

4                   (a)     has been annexed by The Campus and is subject to The Campus CC&Rs  
5 or annexed by PVPAL and is subject to the PVPAL CC&Rs or the owner of such property has  
6 entered into a Wetlands Maintenance Cost Sharing Agreement substantially similar in substance  
7 and form to Exhibit J; or

8                   (b)     has become subject to a Declaration of Covenants, Conditions and  
9 Restrictions for a commercial property owners association which has been formed under  
10 organizational documents substantially similar to the organizational documents for The Campus  
11 and which is a party to a Mutual Benefit Agreement with the Conservancy containing  
12 substantially all of the provisions, terms and conditions set forth in Exhibit H; or

13                   (c)     has become subject to a Declaration of Covenants, Conditions and  
14 Restrictions for a residential homeowners' association which has been formed under  
15 organizational documents substantially similar to the organizational documents for PVPAL and  
16 which is a party to a Guaranty of Payment under Mutual Benefit Agreement with the  
17 Conservancy containing substantially all of the provisions, terms and conditions set forth in  
18 Exhibit J guaranteeing payment by PVCS or another community service organization of its  
19 monetary obligations under a Mutual Benefit Agreement with the Conservancy containing  
20 substantially all of the provisions, terms and conditions set forth in Exhibit I; or

21                   (d)     has become subject to such other funding mechanism as may be  
22 reasonably approved by the Petitioners.

23           27.4   Memorandum of Judgment. To secure PCC's obligations to Petitioners under  
24 Section 27.1 with respect to the Village Property, PCC shall promptly following Entry of  
25 Judgment record a Memorandum of Judgment in the form attached hereto as Exhibit O,  
26 subjecting such portion of such property as does not as of such date satisfy the requirements of  
27 Section 27.3(a), 27.3(b), 27.3(c) or 27.3(d) to the obligations set forth in Section 27.1.

28

1 (a) PCC's obligations under Section 27.1 of this Stipulation shall be  
2 enforceable against all such portions of the Village Property as have become entitled for  
3 Development of commercial, office or retail uses, and each portion thereof and, subject to the  
4 release provisions herein, such property shall be held, transferred, sold, leased, conveyed,  
5 maintained and occupied subject to the terms and provisions of this Stipulation as applicable to  
6 said obligations. Such provisions of this Stipulation shall be binding upon PCC during its  
7 ownership of such property and upon each successive owner or other person having any interest  
8 therein derived through any owner thereof, during his, her or its ownership of such property,  
9 unless and until such property is released therefrom as provided below. Upon the recordation of  
10 a final map or parcel map covering all or any portion of the Village Property, any and all lots  
11 which are designated or dedicated thereon for public streets, future public streets, public alleys,  
12 future public alleys, private streets, open space, other infrastructure improvements or community  
13 serving uses shall without further action or documentation be released from the Memorandum of  
14 Judgment. In addition, at any time any property within the Village Property is conveyed to a  
15 governmental entity and restricted to use for governmental purposes, to a public or private utility  
16 and restricted to use for utility purposes or to a not-for-profit entity and restricted to community  
17 serving uses, such property shall be entitled upon application to the Referee to be released from  
18 the Memorandum of Judgment as provided in Section 27.4(b).

19 (b) PCC or any successor owner of the Village Property shall be entitled to  
20 have such property released from the Memorandum of Judgment upon its being able to  
21 demonstrate to the Referee that it has implemented a funding mechanism with respect to the  
22 portion of the Village Property for which such release is sought which meets the criteria set forth  
23 in Section 27.3(a), 27.3(b), 27.3(c) or 27.3(d). PCC or such successor owner shall also be  
24 entitled to have all property subject to the Memorandum of Judgment released therefrom at such  
25 time as the term of this Stipulation has expired. Attached hereto as Exhibit P is the form of  
26 Notice of Release to be signed and acknowledged by the Referee.

27 (c) Any application to the Referee for release of any portion of the Village  
28 Property from the Memorandum of Judgment pursuant to Sections 27.4(a) or 27.4(b) shall be in

1 writing and a notice of such application together with a copy of all materials filed with the  
2 Referee in connection therewith shall be concurrently delivered to Petitioners. Such application  
3 to the Referee shall include a Proof of Service evidencing that Petitioners have been provided  
4 with such notice. The Referee shall promptly review each such application and rule thereon;  
5 provided, however, that, unless such time period has been waived by Petitioners, the Referee  
6 shall not rule on such matter or deliver a Notice of Release to PCC for a period of ten (10) days  
7 following the effective date of such notice to Petitioner.

8       27.5 Rights of Lienholders. Notwithstanding any other provision of this Stipulation,  
9 no violation or amendment of this Stipulation shall operate to defeat or render invalid the rights  
10 of a beneficiary under any deed of trust secured by any or all portions of the Village Property.

11       28.0 Notices. Any approval, disapproval, demand, document or other notice or  
12 communication required or permitted to be given under this stipulation shall be in writing, shall  
13 be effective upon the earlier of 3 days after placement of the same with the U.S. Postal Service or  
14 other courier service or upon its receipt by the receiving party, and may be served personally or  
15 by registered or certified mail (return receipt requested, postage prepaid), or be delivered by  
16 telegraph, telex, telecopier, commercial delivery, or private courier service to the parties at their  
17 respective addresses below.

18 To Petitioners: Carlyle W. Hall, Jr., Esq.  
19 AKIN, GUMP, STRAUSS, HAUER & FELD, L.L.P.  
20 2029 Century Park East, Suite 2400  
Los Angeles, CA 90067

21 To PCC: PLAYA CAPITAL COMPANY, LLC  
22 PLAYA PHASE 1 COMMERCIAL LAND COMPANY, LLC  
23 5510 Lincoln Blvd., Suite 100  
Playa Vista, CA 90094  
Attn: General Counsel

24 Copies to: Kathleen O. Truman, Esq.  
25 KELLY LYTTON & VANN LLP  
1900 Avenue of the Stars, Suite 1450  
26 Los Angeles, CA 90067-4301

27 George J. Mhlsten, Esq.  
LATHAM & WATKINS LLP  
633 West Fifth Street, Suite 4000  
28 Los Angeles, CA 90071-2007

1 To the City of  
2 Los Angeles:

S. Gail Goldberg  
Director of Planning  
CITY PLANNING DEPARTMENT  
City Hall  
200 North Spring Street, 5<sup>th</sup> Floor  
Los Angeles, CA 90012

5 Copies to:

Susan D. Pfann, Esq.  
Assistant City Attorney  
CITY OF LOS ANGELES  
200 North Main Street  
1800 City Hall East  
Los Angeles, CA 90012

9 Notice of change of address shall be given by written notice in the manner detailed in this  
10 Section 29.0. Rejection or other refusal to accept or the inability to deliver because of changed  
11 address of which no notice was given shall be deemed to constitute receipt of the notice.

12       29.0 Negation of Partnership. The Parties acknowledge that the Project is a private  
13 development, that no Party is acting as the agent of another Party in any respect hereunder, and  
14 that each Party is an independent entity with respect to the terms and provisions of this  
15 Stipulation. None of the terms or provisions of this Stipulation shall be deemed to create a  
16 partnership between or among the Parties, nor shall it cause them to be considered joint venturers  
17 or members of any joint enterprise.

18       30.0 No Third Party Beneficiary. This Stipulation is not intended, nor shall it be  
19 construed, to create any third party beneficiary rights in any person who is not a Party, unless  
20 expressly otherwise provided.

21       31.0 Severability. If any provision of this Stipulation is held to be invalid, void, or  
22 unenforceable, the remaining provisions shall nevertheless remain in full force and effect and  
23 shall not be affected, impaired, or invalidated.

24       32.0 Depictions Are Approximate. The depiction of locations of roadways and uses in  
25 the Exhibits to this Stipulation are approximate and for illustrative purposes only, and may be  
26 changed subject to final engineering, design and the discretionary review process for Regulatory  
27 Approvals.

1       32.1 Consents. When a Party's consent is required under this Stipulation, the other  
2 terms and provisions of this Stipulation will govern. If no term or provision of the Stipulation  
3 provides otherwise or is inconsistent with the application of this Section 32.1 to the matter at  
4 hand, then:

5           A.     The consent shall not be unreasonably withheld, delayed or conditioned.

6           B.     The person having authority to effectuate such consent for purposes of this  
7 Stipulation on behalf of any Party shall be the attorney of record for such Party.

8       32.2 Estoppel Certificate. Any of the Parties may, at any time, and from time to time,  
9 request in writing that the City certify in writing that, to the best of its knowledge:

10          A.     This Stipulation and the Judgment are in full force and effect and represent  
11 binding obligations on the Parties;

12          B.     This Stipulation has not been amended or modified either orally or in  
13 writing or, if so amended, identifying the amendments; and

14          C.     The requesting Party is not in default of the performance of its obligations  
15 under this Stipulation or the Judgment, nor does there exist an event the occurrence of which  
16 would give rise to the termination of this Stipulation and vacation of the Judgment or, if such a  
17 default or event exists, describing the nature of any such default or event.

18 When the City receives a request under this Section 32.2, it shall execute and return such  
19 Estoppel Certificate within 15 days following the receipt thereof. Each Party acknowledges that  
20 an Estoppel Certificate may be relied upon by transferees and mortgagees of the requesting  
21 Party; provided, however, that whether or not the Estoppel Certificate is relied upon, the Local  
22 Agency shall not be bound by an Estoppel Certificate if a default or event giving rise to  
23 termination of this Stipulation and vacation of the Judgment existed at the time the Local Agency  
24 provided the Estoppel Certificate but such default or event was concealed from or otherwise not  
25 known to the Local Agency.

26       33.0 No Delegation of City's Authority. This Stipulation shall not constitute a  
27 delegation of the City's authority or police power in any other matter, proceeding or litigation,  
28

1 which is not related to the implementation of this Stipulation, other than as specifically set forth  
2 herein.

3 34.0 Not Precedent in Other Matters. No action taken and no determination made by  
4 any party to this Stipulation, or by the Referee pursuant to the terms of this Stipulation, shall  
5 constitute a finding of fact against the City for purposes of any other proceeding, matter or  
6 litigation which is not related to the implementation of this Stipulation.

7 35.0 List of Exhibits. This Stipulation includes the following Exhibits which are  
8 attached hereto and made a part hereof.

9	Exhibit "A"	March 1, 2001 Correspondence from the Coastal Commission to the Referee Regarding Original Stipulation.
10	Exhibit "B"	Depiction of Areas A, B, C & D
11	Exhibit "C"	Legal Description of the Village Property
12	Exhibit "D"	Nexus Test
13	Exhibit "E"	General Releases
14	Exhibit "F"	Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for The Campus at Playa Vista
15	Exhibit "G"	Master Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Playa Vista, as amended
16	Exhibit "H"	Mutual Benefit Agreement (The Campus at Playa Vista), as amended
17	Exhibit "I"	Mutual Benefit Agreement (Playa Vista Community Services), as amended
18	Exhibit "J"	Guaranty of Payment Under Mutual Benefit Agreement (Playa Vista Parks and Landscape Corporation), as amended
19	Exhibit "K-1"	Water's Edge Wetlands Maintenance Cost Sharing Agreement
20	Exhibit "K-2"	Sterling Wetlands Maintenance Cost Sharing Agreement
21	Exhibit "L"	Subsidy Agreement
22	Exhibit "M"	Advance and Reimbursement Agreement, as amended
23	Exhibit "N"	Community Enhancement Fee Agreement (Playa Vista)
24	Exhibit "O"	Memorandum of Judgment
25	Exhibit "P"	Form of Notice of Release

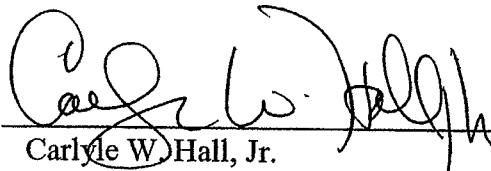
1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

Exhibit "Q" Traffic and Ecological Infrastructure Improvements  
Exhibit "R" Ballona Discovery Center

All defined terms herein shall have the same meanings in the above exhibits unless otherwise provided therein.

Dated: May 30, 2006

AKIN, GUMP, STRAUSS, HAUER & FELD, L.L.P.  
Carlyle W. Hall, Jr.

By:   
Carlyle W. Hall, Jr.  
Attorneys for Petitioners Friends of Ballona  
Wetlands and League for Coastal Protection

Dated: \_\_\_\_\_, 2006

LATHAM & WATKINS, LLP  
George J. Muhlsten

By: \_\_\_\_\_  
George J. Muhlsten  
Attorneys for Real Parties In Interest  
Playa Capital Company, LLC and Playa Phase 1  
Commercial Land Company, LLC

Dated: \_\_\_\_\_, 2006

KELLY LYTTON & VANN LLP  
Kathleen O. Truman

By: \_\_\_\_\_  
Kathleen O. Truman  
Attorneys for Real Parties In Interest  
Playa Capital Company, LLC and Playa Phase 1  
Commercial Land Company, LLC

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

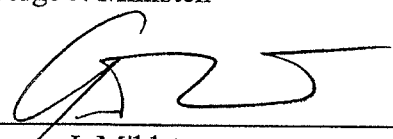
Exhibit "Q"      Traffic and Ecological Infrastructure Improvements  
Exhibit "R"      Ballona Discovery Center

All defined terms herein shall have the same meanings in the above exhibits unless otherwise provided therein.

Dated: \_\_\_\_\_, 2006      AKIN, GUMP, STRAUSS, HAUER & FELD, L.L.P.  
Carlyle W. Hall, Jr.

By: \_\_\_\_\_  
Carlyle W. Hall, Jr.  
Attorneys for Petitioners Friends of Ballona  
Wetlands and League for Coastal Protection

Dated: 5/30/06, 2006      LATHAM & WATKINS, LLP  
George J. Muhlsten

By:  \_\_\_\_\_  
George J. Muhlsten  
Attorneys for Real Parties In Interest  
Playa Capital Company, LLC and Playa Phase 1  
Commercial Land Company, LLC

Dated: \_\_\_\_\_, 2006      KELLY LYTTON & VANN LLP  
Kathleen O. Truman

By: \_\_\_\_\_  
Kathleen O. Truman  
Attorneys for Real Parties In Interest  
Playa Capital Company, LLC and Playa Phase 1  
Commercial Land Company, LLC

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

Exhibit "Q"      Traffic and Ecological Infrastructure Improvements  
Exhibit "R"      Ballona Discovery Center

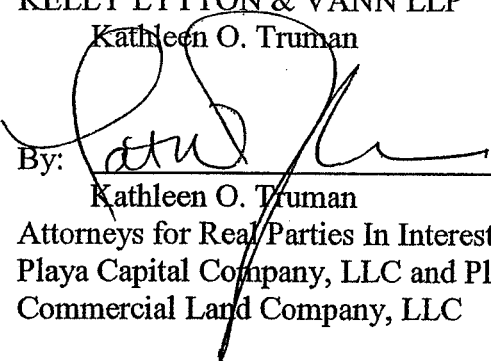
All defined terms herein shall have the same meanings in the above exhibits unless otherwise provided therein.

Dated: \_\_\_\_\_, 2006      AKIN, GUMP, STRAUSS, HAUER & FELD, L.L.P.  
Carlyle W. Hall, Jr.

By: \_\_\_\_\_  
Carlyle W. Hall, Jr.  
Attorneys for Petitioners Friends of Ballona  
Wetlands and League for Coastal Protection

Dated: \_\_\_\_\_, 2006      LATHAM & WATKINS, LLP  
George J. Muhlsten

By: \_\_\_\_\_  
George J. Muhlsten  
Attorneys for Real Parties In Interest  
Playa Capital Company, LLC and Playa Phase 1  
Commercial Land Company, LLC

Dated: May 25, 2006      KELLY LYTTON & VANN LLP  
Kathleen O. Truman  
By:  \_\_\_\_\_  
Kathleen O. Truman  
Attorneys for Real Parties In Interest  
Playa Capital Company, LLC and Playa Phase 1  
Commercial Land Company, LLC

1 Dated: May 25, 2006  
2  
3

CITY ATTORNEY, LOS ANGELES  
Rockard J. Delgadillo  
Susan D. Pfann

4 By: Susan D. Pfann  
5 Susan D. Pfann,  
6 Assistant City Attorney  
Attorneys for City of Los Angeles  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28