

EXECUTION VERSION

January 28, 2015

Rose Bowl Operating Company
1001 Rose Bowl Drive
Pasadena, CA 91103
Attention: Darryl Dunn

RE: Rose Bowl Music Festival – Proposal for Facility License Agreement

Dear Mr. Dunn:

This non-binding letter of intent ("Letter") shall serve to set forth our mutual understanding whereby the Rose Bowl Operating Company ("RBOC"), acting in its capacity as manager of the Rose Bowl Stadium (the "Stadium") and adjoining Brookside golf course, surrounding areas and parking lots (the "Festival Area" and together with the Stadium, the "Facility") on behalf of the City of Pasadena ("City"), will endeavor to license (the "Transaction") the Facility to Anschutz Entertainment Group, Inc., on behalf of its wholly owned subsidiary Goldenvoice, LLC ("AEG"), for an annual multi-day music festival on the terms set forth in the term sheet attached hereto (the "Term Sheet"). RBOC and AEG are each a "Party" and sometimes referred to herein collectively as the "Parties". Capitalized terms not otherwise defined in this Letter shall have the meanings assigned to them in the Term Sheet.

1. Transaction. The Parties agree to negotiate in good faith to enter into a Facility License Agreement consistent with the terms set forth on the Term Sheet and such other terms and conditions customary for a transaction of this nature as promptly as practicable after the execution of this Letter (the "Facility License Agreement"). Except as expressly provided in this Letter to the contrary, the parties will not have any obligations with respect to the Transaction unless and until such Facility License Agreement is executed and delivered to the other by each such Party.
2. Confidentiality. The Parties all agree that the terms of this Letter and the License Agreement are confidential and shall not be disclosed to any third party, except as may be required by law. As part of the License Agreement, the Parties will enter a more comprehensive agreement related to confidentiality. AEG acknowledges that RBOC is subject to public records laws.
3. Public Announcements. In the event that a Party desires to make a public statement or announcement or other communication to any third party regarding this Letter or the Transaction, such Party must consult with the other Party before issuing any press release or otherwise making any such statements, and no Party nor any of its affiliates shall issue any such press release or other third party communication unless each of the Parties agree in advance on the form and substance of such communication, except as may be required by law.
4. Expenses. Each Party will bear its own expenses in connection with this Letter and the Facility License Agreement.

5. Termination/Non-Binding. Other than the obligations set forth in Sections 2, 3, 4, 6(b) and this Section 5, each of which will survive any termination or expiration of this Letter or the failure of the parties to execute and deliver the Facility License Agreement in a timely manner, this Letter and the respective undertakings of the Parties hereunder and the Transaction contemplated hereby may be terminated by any Party at any time prior to execution of the Facility License Agreement. The only binding obligations under this Letter are the provisions of Sections 2, 3, 4, 6(b) and this Section 5. The remainder of this Letter does not create any legally binding obligation on either Party, nor do the terms or any discussions or course of conduct impose any obligation or liability on the Parties. A binding agreement with respect to the proposed relationship will not arise unless and until the Facility License Agreement has been negotiated and executed.

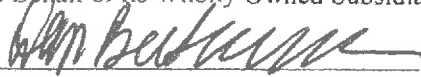
6. Other Provisions:

- (a) This Letter may be executed in two or more counterparts or by facsimile signature (or both), each of which will be deemed to be an original, but all of which will constitute one and the same agreement.
- (b) This Letter and the Transaction will be governed by and construed in accordance with the laws of the State of California.
- (c) This Letter embodies the entire agreement and understanding of the Parties with respect to the Transaction and supersedes all prior agreements or understandings between the Parties, oral or written, with respect to the Transaction.
- (d) Each Party agrees that (a) nothing in this Agreement is intended to convey any ownership or other rights to the other Parties in the trademarks, service marks, copyrights or other intellectual property rights of such Party or any respective affiliate thereof, (b) ownership of all such rights shall remain the property of the respective holder thereof as of the date of this Agreement, and (c) each Party will not use any such trademarks under any circumstances without the prior written consent of the other Party, which consent may be withheld by any Party in its sole and absolute discretion.
- (e) Each Party hereto represents and warrants to the other Party that it has the power and authority to enter into this Letter and perform its obligations hereunder. Neither this Letter nor any of the rights, duties or obligations hereunder shall be assignable in whole or in part without the prior written consent of the other Parties.
- (f) The Parties to this Letter are independent contractors, and no partnership, joint venture or employment relationship between them is intended or created hereby. None of the Parties shall have the right, power or authority to waive any right, grant any release, make any contract or other agreement, or assume or create any obligation or responsibility, express or implied, on behalf of or in the name of the other Party or to bind the other Party in any manner for anything whatsoever or otherwise to act in the name of the other parties except as expressly set forth in this Letter and the License Agreement.

Please indicate your understanding of the terms and conditions set forth in this Letter by signing in the respective space set forth below.

Very truly yours,

Anschutz Entertainment Group, Inc.
On Behalf of Its Wholly Owned Subsidiary Goldenvoice, LLC



Dan Beckerman, CEO & President

Accepted and Agreed:

Rose Bowl Operating Company



Name:

Title:

TERM SHEET

PROPOSED EVENT: Anschutz Entertainment Group, Inc., on behalf of its wholly owned subsidiary Goldenvoice, LLC ("AEG"), will present and produce a to-be-named multi-day music festival (the "Event") at the Rose Bowl Stadium (the "Stadium") and adjoining Brookside Golf Course, surrounding areas and parking lots (the "Festival Area" and together with the Stadium, the "Facility"), in Pasadena, California, each year during the Term, with specific dates to be determined. The name of the Event will be "The Rose Bowl Music Festival", or another name as mutually agreed upon by the Parties, and the name shall not be transferable to another location. The City/RBOC shall retain rights to use the Event name, trademarks, service marks, copyrights or other intellectual property rights, subject to certain limitations as mutually agreed upon and more specifically outlined in the Facility License Agreement.

TERM: 10 years. The Facility License Agreement shall have a term covering ten annual Events which the Parties intend will begin with an Event in 2016 assuming that RBOC has obtained all required City Approvals (the "Initial Term"). Provided the Facility License Agreement has not been earlier terminated, AEG shall have two consecutive 5-year options to renew the Facility License Agreement on the same terms and conditions (each, a "Renewal Term" and together with the Initial Term, the "Term") at the end of the Term and at the end of the first Renewal Term, if applicable, except with respect to the Rent and Minimum Rent, which Renewal Term payments are outlined below.

LICENSE PERIOD: The License Period for each Event shall include two consecutive performance days in the first year (assumed to be 2016) and up to three consecutive performance days (as determined by AEG in its sole discretion) plus load-in dates of up to 14 days prior to the Event each year and load-out dates of up to 7 days after the Event each year. AEG shall not impact more than nine holes of golf during load-in and load-out periods, except from 48 hours prior to the Event through 24 hours after the Event, in which case AEG shall have access to the entire Facility. AEG shall use best efforts to minimize the load-in and load-out time so as to minimize the impacts on the operation of the Facility. The dates for the Event are intended to be during the same weekend each June, however the dates shall be agreed upon each year by the Parties with AEG having first priority each year for that weekend.

OWNERSHIP RIGHTS: AEG will own and control one hundred percent (100%) of all rights to the Event and shall be entitled to receive 100% of the Event related-revenues except for the Rent, the Restoration Fee, and the Admissions Tax payable to RBOC as set forth herein.

FACILITY RENT = INITIAL TERM: As full and complete compensation for use of the Facility during the Initial Term, RBOC shall be entitled to receive annual rent equal to ten percent (10%) of Event Revenues from each Event ("Rent"). AEG guarantees RBOC a minimum Rent payment for each annual Event (the

“Minimum Rent”). The Minimum Rent payment for years 1 through 3 shall be as set forth on Exhibit A hereto. The Minimum Rent payment for year 4 and each year thereafter during the Initial Term shall increase at the greater of 3% or CPI (not to exceed 5% in any single year) with the minimum and maximum amounts of such Minimum Rent as set forth on Exhibit A attached hereto.

**FACILITY RENT –
RENEWAL TERM:**

As full and complete compensation for use of the Facility during the first and second Renewal Terms, RBOC shall be entitled to receive annual Rent equal to twelve and one half percent (12.5%) of Event Revenues from each Event.

The Minimum Rent payment for the first year of each Renewal Term shall increase by 25% over the previous year and each subsequent year during that Renewal Term shall increase at the greater of 3% or CPI (not to exceed 5% in any single year) with the minimum and maximum amounts of such Minimum Rent as set forth on Exhibit A attached hereto.

“Event Revenues” is defined as the following revenues received by AEG from the Event: (i) gross ticket revenues less \$1.00 per ticket surcharge to be paid to mutually agreed upon local community organization, (ii) gross VIP sales revenues, (iii) gross food and beverage revenues less sales taxes and concessionaire commissions, (iv) gross parking revenues less applicable expenses, (v) gross merchandise revenues less sales taxes and cost of goods sold, (vi) gross ticketing rebates less credit card fees, (vii) gross shuttle revenue, (viii) gross revenues from travel packages, (ix) gross sponsorship fees less third party commissions, (x) gross revenues from broadcast rights and other licenses less third party commissions, and (xi) any other gross revenues related to the Event as currently envisioned or identified in the future (e.g. membership passes to multiple events, etc.). Event Revenues shall not be reduced/adjusted for overhead, staffing allocations/expenses, or other similar expenses, except as specifically noted above.

With respect to Event Revenue categories that are calculated after deductions (as specifically outlined above) and that are part of any agreements between AEG and any of its affiliates, such agreements shall: reflect market rate terms, be generally consistent with agreements in comparable facilities, and, subject to parameters to be defined in the definitive legal documents.

AEG shall pay such Rent to RBOC promptly following settlement of the Event each year. The Rent is inclusive of RBOC’s Capital Maintenance User Fee.

ADMISSION TAX

In addition to the Rent and the Restoration Fee, AEG shall pay the Stadium Admission Tax, currently \$1.61 per ticket sold to an Event (subject to change per City ordinance). AEG shall not be subject to any targeted music festival taxes, subject to certain limitations as mutually

agreed upon and more specifically outlined in the Facility License Agreement.

EXCLUSIVITY FEE: Promptly upon AEG's receipt of a fully executed Facility License Agreement, AEG shall pay RBOC a one-time payment of Three Million Dollars (\$3,000,000) (the "Exclusivity Fee"). The Exclusivity Fee is non-recoupable and only refundable as set forth in Termination and Early Termination below. The Exclusivity Fee for the first Renewal Period will be Two Million Two Hundred and Fifty Thousand Dollars (\$2,250,000), and the Exclusivity Fee for the second Renewal Period shall be Two and One Half Million Dollars (\$2,500,000).

RESTORATION FEE: AEG shall include a One Dollar (\$1.00) per ticket per day fee for each ticket sold to an Event, which shall be payable to RBOC for Arroyo upgrades and restoration (the "Restoration Fee").

FOOD AND BEVERAGE: AEG shall be entitled to all revenue related to food and beverage concessions at the Event. The Rent includes all costs related to a buy-out of RBOC's concessionaire for the Brookside Golf Course. During the term of RBOC's current food and beverage concession agreement with [name of concessionaire], dated as of [date] that terminates as of [date] (the "Stadium Concession Agreement"), the Stadium concessionaires for both the concourse and pavilion will operate the concessions pursuant to the Stadium Concession Agreement, however the revenues received by RBOC pursuant to that agreement will be retained by AEG and RBOC shall immediately pay over any and all net revenues received from its Stadium concessionaires for the Event to AEG. Subject to certain limitations as mutually agreed upon and more specifically outlined in the Facility License Agreement, the Parties shall confer on any new, amended or modified Stadium Concession Agreement, although the RBOC shall retain approval rights.

RBOC DELIVERABLES: RBOC will deliver the following under the terms of the Facility License Agreement for the Event (note: such reimbursements described below will not count towards the guarantee and/or percentage payment of Event Revenue):

- Use of all spaces within the Stadium (except RBOC administrative offices, storage spacer, and public safety and similar spaces), including the Terry Donahue Pavilion lounges and suites, during the license period which spaces shall be identified on a map attached to the Facility License Agreement. The RBOC shall retain the rights to one Stadium suite, 20 Stadium club seats, ___ VIP Festival grounds passes, and ___ Festival general admission grounds passes to the Event at no cost; provided, however, any resale of the Event suite, seats, tickets or passes is prohibited.
- Use of all parking under the control and management of RBOC.

- Use of the Brookside Golf Course, subject to the limitations described above. Such use shall require a buyout payment to the golf course operator for Event day for the entire golf course (or a pro-rated amount for use of less than the entire course for load-in and load-out days) to be paid directly by AEG, which amount shall include the buy-out of the concessionaire. Such buyout payment shall be consistent with buyout amounts charged to the RBOC for other third party events that utilize the Golf Course.
- Except as otherwise agreed or set forth herein, Stadium personnel during the Event including all ushers, ticket takers, guest services, door guards, security, housekeeping, traffic control, EMS and other support personnel required to produce the Event. All such expenses shall be reimbursable to RBOC as Facility Expenses described below.
- Marketing and advertising support through the use of various RBOC platforms including, digital media displays, outreach to RBOC database, social media and e-commerce portals, any such out-of-pocket expenses related to such support shall be reimbursable to RBOC as Facility Expenses described below.
- Assist AEG with obtaining all Permits, etc as reasonably requested by AEG, any such out-of-pocket expenses related to Permits or assistance shall be reimbursable to RBOC as Facility Expenses described below.

**AEG
DELIVERABLES:**

AEG will be responsible for delivering the following under the terms of the Facility License Agreement for the Event:

- Presentation of the Event.
- Procurement of all performers, inclusive of any financial guarantees to artists and all travel and lodging expenses.
- All production expenses including, staging, production equipment including temporary construction, lighting, sound, temporary structures, kiosks, digital display monitors, production fees, stagehands, production technicians, and other such items required to produce the Event.
- Local, regional and national marketing, advertising and promotion of the Event.
- Assist RBOC and City in community outreach/engagement and relations during the approval process for the City Approvals and the Initial Term (and any Renewal Terms) as reasonably requested by RBOC.

- Commercially reasonable efforts to promote Pasadena local businesses in its Event marketing efforts (i.e., Pasadena hotels listed on official Event website).

FACILITY EXPENSES:

AEG shall reimburse RBOC for all actual documented Event related expenses provided by RBOC including, but not limited to the following:

- Ushers, security, door guards, ticket takers, cleaning, EMS, traffic, grounds crew, stage hand labor and other personnel needed to produce the Event. The Parties shall work in good faith to mutually agree on deployment numbers. Within the Stadium fenceline, AEG understands the costs of such personnel will be the costs set forth in RBOC's contracts with such entities. The Parties shall confer on any new, amended or modified "material" terms of and Stadium Contracts, although the RBOC shall retain approval rights.
- Any and all municipal services and expenses, including but not limited to police, traffic control, fire, EMS, public works, etc.
- Replacement of damaged Stadium and/or Golf Course turf, and any damage to the Facility, as necessary.

TICKETING:

Subject to the Ticketmaster Buy-out Fee set forth below, AEG shall control all ticketing for the Event and shall set the amount of the service charge and ticket prices for all tickets to the Event at its sole discretion. All credit card charges will be passed through to the consumer. AEG agrees to offer the Stadium's Premium Seating clients a first right to purchase premium seating for the Event. During the term of RBOC's current ticketing agreement with Ticketmaster Entertainment, Inc. ("Ticketmaster"), dated as of [date] that terminates as of [date] (the "Ticketmaster Agreement"), if AEG chooses to use any other ticketing company, it shall pay Ticketmaster a "buyout fee" of \$50,000 per Event day (the "Ticketmaster Fee"). Any new, amended or modified ticketing agreement at the Stadium whether with Ticketmaster or not will carve-out the Event from the ticketing rights at the Stadium and AEG shall be entitled to all rights related to ticketing at the Event including the right to negotiate its own deal with Ticketmaster or bring in its own ticketing company, in its sole discretion without payment of any "buyout fee."

SPONSORSHIP:

AEG shall have the sole right to sell sponsorships to the Event. It acknowledges that the Stadium has existing sponsors (and a relationship with IMG) and agrees RBOC will not be required to remove or cover sponsorship signs, advertisements, show-bills, etc. inside or in front or on any part of the Stadium, including the Stadium entry gates. RBOC agrees not to light backlit sponsor panels at the Stadium after the Stadium performances have started at the request of AEG. Any presenting or other sponsorships, advertisements, etc. proposed to be associated with the Event shall be tasteful and not to be a cause for embarrassment to the City and shall not include any companies primarily known for tobacco products, guns, adult entertainment, or marijuana or other non-pharmaceutical drugs.

LICENSES AND PERMITS: RBOC shall obtain all legal rights to host the Event (e.g. environmental clearance and municipal code amendments) at its sole cost and expense (the "City Approvals"); provided, however, AEG shall pay RBOC up to Four Hundred Thousand Dollars (\$400,000) to cover its actual, out of pockets expenses related to an Environmental Impact Report payable as follows: \$200,000 upon execution of this Letter/Term Sheet and the remainder based on actual costs up to the maximum amount of \$400,000 upon presentation of the Final EIR to the City Council.

AEG shall obtain all licenses, permits and other approvals necessary or advisable to operate the Event at its sole cost and expense other than the City Approvals ("Permits").

In the event that RBOC is unable to obtain all necessary or advisable City Approvals or AEG is unable to obtain all necessary or advisable Permits, AEG may suspend the applicable Event without payment of any Rent to RBOC or may terminate the Facility License Agreement, at its sole option ("Permitted Termination").

TERMINATION:

The Agreement shall be subject to standard termination provisions in the event of a material default, lack of access and force majeure as further defined in the Facility License Agreement. In the event that AEG terminates the Facility License Agreement due to Permitted Termination, a material breach by RBOC, lack of access or force majeure, RBOC shall refund One Million Dollars (\$1,000,000) of the Exclusivity Fee for each Event less than three initial Events held, no later than sixty (60) days of the termination date. By way of example, if the Facility License Agreement is terminated in 2017 after only one Event has been held, RBOC shall refund Two Million Dollars (\$2,000,000) of the Exclusivity Fee to AEG. The Parties shall work in good faith to develop additional termination language for the RBOC in the event of unforeseen circumstances and/or extenuating conditions that would cause the hosting of the Event to be infeasible or not practical. Subject to certain limitations as mutually agreed upon and more specifically outlined in the Facility License Agreement, if the Facility License Agreement is terminated pursuant to this provision for any reason other than AEG's breach, RBOC may not permit a similar event to be held at the Stadium within 48 months of the termination date.

EARLY TERMINATION:

The Facility License Agreement shall include the following early termination rights:

1. A one-time termination right in the third year of the Facility License Agreement that permits either Party to terminate the Facility License Agreement without cause after the third Event held under the Facility License Agreement by giving the other Party written notice solely between the dates of the end of the third Event and December 31, 2018 (the "Early Termination Right"). This is a one-time right that if not exercised by either party terminates at the end of the notice period set forth herein. RBOC may not exercise this right to permit a similar event to be held at the Stadium within 48 months of the termination date.

However, if the Facility License Agreement is terminated by AEG pursuant to this provision, except in the event of a RBOC breach, RBOC may permit a similar event to be held at the Stadium at any time.

2. A termination right that permits AEG to terminate the Facility License Agreement at any time after the second Event if losses (to be defined in Facility License Agreement) from any one Event equal or exceed Two Million Dollars (\$2,000,000) or cumulative losses from all Events equal or exceed Three Million Dollars (\$3,000,000), cumulative losses shall not include any losses incurred from the first or second Event. If AEG terminates pursuant to this provision, RBOC shall be entitled to keep the entire Exclusivity Fee and RBOC may permit a similar event to be held at the Stadium at any time.

EVENT SUSPENSION:

In the event that AEG decides not to produce the Event in any year during the Term, it may suspend the Event for such year by delivering written notice and payment of the Minimum Rent to RBOC no later than March 31st prior to the applicable Event.

EXCLUSIVITY:

During the Term, no other multi-day, multi-stage Music Festival shall be hosted, held, produced or promoted by or at the Stadium, except with AEG's prior written consent. The Parties shall further define "Music Festival" in the Facility License Agreement.

KEY MAN PROVISION:

RBOC has selected AEG and intends to enter into the Facility License Agreement primarily because of the experience and expertise of Mr. Paul Tollet. Mr. Tollet shall be the primary point person/festival director for AEG during the Term, provided, however, that if during the first five (5) years of the Term, Mr. Tollet is no longer involved in the Event in at least one of the following capacities: (i) primary point person/festival director for the Event, or (ii) co-owner of the Event via Future Festivals, LLC, an investment vehicle between Mr. Tollet and AEG (a "Tollet Exit Event"), then RBOC shall have the one-time option within thirty (30) days of its receipt of notice of such Tollet Exit Event to terminate the Facility License Agreement upon one year prior written notice to AEG, with no penalty to RBOC (the "RBOC Termination"). Notwithstanding the foregoing, whether the RBOC Termination takes final effect shall be contingent on the following condition: if the Event Revenues at the Event held during that termination period following the Tollet Exit Event, are greater than the Event Revenues at the Event immediately prior to the Tollet Exit Event, then RBOC must rescind its RBOC Termination immediately and the Facility License Agreement shall continue for the remainder of its Initial Term and/or Renewal Terms, as applicable, provided that the Event shall be generally consistent with the historical genre of music and previous Events produced. RBOC shall have the opportunity to approve any proposed material change to the previous Events produced upon a Tollet Exit Event. If the RBOC Termination takes effect, RBOC shall refund One Million Dollars (\$1,000,000) of the Exclusivity Fee for each Event less than three initial Events held, no later than sixty (60) days of the termination date.

AEG PREFERRED VENUE: During the Term, and provided that AEG has not built the venue known as Farmers Field, then RBOC shall have a Right of First Negotiation for the Stadium ("ROFN") with respect to any music concert or sporting event to be produced or promoted by AEG or any of its wholly owned or controlled affiliates in the Los Angeles area with attendance of 30,000 or more (each, an "AEG Event"). AEG shall give RBOC written notice of any AEG Event that falls under this provision and RBOC must respond to AEG within 48 hours of its receipt of such notice to confirm whether it wants to hold the AEG Event and if the Stadium schedule can accommodate the AEG Event. If RBOC responds to AEG within that time frame that it does want to further discuss the AEG Event, then RBOC and AEG shall negotiate for a reasonable amount of time given industry custom, competitive stadium landscape, and timing of the AEG Event to see if they can reach mutually agreed upon terms and enter into a definitive Facility License Agreement for the AEG Event. If the parties do not enter into a definitive Facility Agreement during that time period, then AEG shall be free to take the AEG Event to another venue. Notwithstanding anything else herein, RBOC acknowledges and agrees that the ROFN is also subject to artist/team preference and if any artist/team advises AEG that it does not want to hold an event at the Stadium then the ROFN is not applicable and such event shall not be considered an AEG Event hereunder. AEG shall, in good faith, provide RBOC some form of verification, reasonably acceptable to RBOC, to validate such preference.

EXHIBIT A
MINIMUM RENT ILLUSTRATION

Minimum Rent		
Year of Event	Lowest Scenario	Highest Scenario
	3%	5%
<u>Initial Term</u>		
1	\$2,000,000	\$2,000,000
2	\$2,500,000	\$2,500,000
3	\$3,000,000	\$3,000,000
4	\$3,090,000	\$3,150,000
5	\$3,182,700	\$3,307,500
6	\$3,278,181	\$3,472,875
7	\$3,376,526	\$3,646,519
8	\$3,477,822	\$3,828,845
9	\$3,582,157	\$4,020,287
10	\$3,689,622	\$4,221,301
Total (Years 1-10)	\$31,177,008	\$33,147,327
<u>Renewal Term 1</u>		
11	\$4,612,027	\$5,276,627
12	\$4,750,388	\$5,540,458
13	\$4,892,899	\$5,817,481
14	\$5,039,686	\$6,108,355
15	\$5,190,877	\$6,413,773
Total (Years 11-15)	\$24,485,878	\$29,156,693
<u>Renewal Term 2</u>		
16	\$6,488,596	\$8,017,216
17	\$6,683,254	\$8,418,077
18	\$6,883,752	\$8,838,980
19	\$7,090,264	\$9,280,929
20	\$7,302,972	\$9,744,976
Total (Years 16-20)	\$34,448,839	\$44,300,178
Total (Years 1-20)	\$90,111,725	\$106,604,197

Note: Minimum Rent payments for years 1-3 fixed.