

SCHEDULE TWO

PRINCIPAL TERMS OF THE PILOT AGREEMENT APPLICABLE TO EACH PHASE OF THE CAROUSEL EXPANSION

Overview:

In connection with each Subsequent Phase, SIDA proposes generally to utilize PILOT payments to be received from amounts paid attributable to the respective Constructed Phase to pay: (a) any applicable Tankyard Tax; (b) the Lakefront Improvement Fee (if any); (c) amounts to fund applicable Operating and Maintenance Expenses (as defined below); (d) annual debt service on its tax-exempt and/or taxable bonds ("Constructed Phase SIDA Bonds"); and (e) at the Company's request, to provide funding assistance in an amount agreed to by the Company for the funding of an aquarium.

Execution and Delivery of the PILOT Agreement:

In connection with each Subsequent Phase, the City, at the request of the Company and SIDA and without further approval of the City and the County, shall execute and deliver the PILOT Agreement for the PILOT Term, to be applicable to such phase, together, thereafter, with any amendments and supplements required to modify such PILOT Term (or any portion thereof established as the PILOT Land Term, PILOT Benefit Term or PILOT Runoff Term) as may be requested from time to time by the Company consistent with this Schedule, provided that no such amendment or supplement shall cause the PILOT Benefit Term for any Subsequent Phase to exceed 30 years from the earlier of (i) the date such Subsequent Phase becomes a Constructed Phase, or (ii) the date of issuance by SIDA of the respective Constructed Phase SIDA Bonds.

PILOT Payments and Allocation During the PILOT Land Term:

During the applicable PILOT Land Term, if any, for the PILOT Agreement, PILOT Payments shall equal the applicable Tankyard Tax. Such amounts shall be allocated to the City and County in the proportion that each would have received in real property taxes had such parcel of the Land been subject to real property taxes.

PILOT Payments During the
PILOT Benefit Term;
Non-Final Phase:

Annual PILOT Payments to be paid during the PILOT Benefit Term applicable to each respective Constructed Phase (other than the Final Phase) shall be equal to the sum of:

- (A)
 - (1) the applicable Tankyard Tax;
 - (2) the Lakefront Improvement Fee, if any;
 - (3) the annual cost of operating and maintaining (including, without limitation, establishing and maintaining capital and other reserve funds) the Public Parking Improvements constructed in connection with such Constructed Phase in an amount equal to \$53.90 per parking space per year subject to adjustment (without further approval of the City or County) by mutual agreement of SIDA and the Company from time to time (the "Operating and Maintenance Expenses");
 - (4) payment of the annual debt service on any Constructed Phase SIDA Bonds secured by PILOT Payments applicable to such Constructed Phase (such debt service shall be sufficient to fully amortize the respective Constructed Phase SIDA Bonds over the applicable PILOT term, after taking into account application of reserves); and
 - (5) funding assistance, if any, to an aquarium at the request of and in the amount agreed to by the Company.
- (B) Notwithstanding the foregoing, in the event that a Constructed Phase (which is not the Final Phase) opens for business prior to the date of issuance of the Constructed Phase SIDA Bonds for the next Subsequent Phase, annual PILOT Payments to be paid for the respective Constructed Phase (other than the Final Phase) shall be equal to the sum of:

- (1) the Interim Annual Payment;
- (2) the Lakefront Improvement Fee, if any;
- (3) the Operating and Maintenance Expenses;
and
- (4) funding assistance, if any, to an aquarium at the request of and in the amount agreed to by the Company;

provided, however, that at such time as Constructed Phase SIDA Bonds are issued, the Payment Schedule in (A) above shall apply.

PILOT Payments During the
PILOT Benefit Term;
Final Phase:

So long as the Final Phase Adjustment (as defined below) is not payable, the PILOT Payments with respect to the Final Phase shall be annual payments equal to the sum of:

- (1) the applicable Tankyard Tax, if any;
- (2) the Lakefront Improvement Fee, if any;
- (3) the Operating and Maintenance Expenses, if any, attributable to the Final Phase; and
- (4) funding assistance, if any, to an aquarium at the request of and in the amount agreed to by the Company.

To the extent the Final Phase Adjustment is payable as determined under the provision set forth below, PILOT Payments with respect to the Final Phase shall be annual payments equal to the sum of :

- (1) the Lakefront Improvement Fee, if any;
- (2) the Operating and Maintenance Expenses, if any, attributable to the Final Phase;
- (3) the applicable Tankyard Tax, if any;
- (4) the Final Phase Adjustment; and

- (5) funding assistance, if any, to an aquarium at the request of and in the amount agreed to by the Company.

The Company shall be required to pay the Final Phase Adjustment, if and only if, on the Calculation Date, as defined below, the Payment Amount, as defined below, is less than the PILOT Payment Floor.

“Payment Amount” means the result obtained by dividing the sum of (i) the total debt service payable on all SIDA Bonds during the preceding twelve (12) months prior to the Calculation Date and (ii) the Tankyard Tax and the Junkyard Tax payable under the PILOT Agreement for the Expanded Carousel during the preceding twelve (12) months prior to the Calculation Date; and (iii) any funding for an aquarium payable during the preceding twelve (12) months, by Floor LA.

“Calculation Date” shall be the earlier of (i) the date the Company determines that the Subsequent Phase most recently completed or then under construction is the Final Phase or (ii) the Outside Completion Date.

The “Final Phase Adjustment” shall be determined by taking the positive difference, if any, obtained by subtracting the Payment Amount from the PILOT Payment Floor, and then multiplying such positive difference by Floor LA. To the extent the Final Phase Adjustment is payable, such amount shall increase each year by four percent (4%) per annum, compounding annually, commencing on the first anniversary of the Calculation Date.

Allocation of PILOT Payments
During the PILOT Benefit Term;
Non-Final Phase:

Payments received by SIDA during the PILOT Benefit Term applicable to the respective Constructed Phase (other than the Final Phase) shall be allocated as follows:

The PILOT Payments attributable to (A)(1) above shall be paid to the City and the County in the same proportion that each would have received in real property taxes had the property been subject to real property taxes. The PILOT Payments attributable to the amounts set forth in (A)(2)

above shall be retained by SIDA and used in furtherance of the Lakefront redevelopment. The PILOT Payments attributable to (A)(3) shall be applied by SIDA to pay the Operating and Maintenance Expenses. The PILOT Payments attributable to (A)(4) above shall be applied to payment of applicable annual debt service on the respective Constructed Phase SIDA Bonds (such debt service shall be sufficient to fully amortize such bonds over the term thereof after taking into account application of reserves). PILOT Payments attributable to (A)(5) shall be applied by SIDA to aquarium funding assistance, if any, as directed by the Company. Remaining amounts, if any, shall be placed in escrow by SIDA in trust and invested, reinvested and distributed in the same manner as described in Schedule One under the heading Escrow Agreement.

Notwithstanding the foregoing, if subparagraph (B) of PILOT Payments During the PILOT Benefit Term; Non-Final Phase above applies, then the PILOT Payments shall be applied as follows: The portion of the PILOT Payments attributable to: B(1) Payments shall be applied to the applicable Tankyard Tax and the balance, if any, held in escrow, invested, reinvested and distributed as set forth in Schedule One under the heading Escrow Fund; B(2) Payments shall be retained by SIDA and used in furtherance of Lakefront redevelopment; and B(3) Payments shall be applied by SIDA to pay the applicable Operating and Maintenance Expenses; and B(4) shall be applied by SIDA to aquarium funding assistance as directed by the Company. Remaining amounts, if any, shall be placed in escrow by SIDA in trust and invested, reinvested and distributed in the same manner as described in Schedule One under the heading Escrow Agreement.

Allocation of PILOT Payments
During the PILOT Benefit Term;
Final Phase:

Payments received by SIDA pursuant to the PILOT Payments During the PILOT Benefit Term; Final Phase shall be allocated as follows: (1) the applicable Tankyard Tax, if any, and the Final Phase Adjustment, if any, shall be paid to the City and County in the same proportion that each would have received in real property taxes had the property been subject to real property taxes; (2) the Operating and Maintenance Expenses shall be applied by SIDA to pay the applicable Operating and Maintenance Expenses; and (3) the Lakefront Improvement Fee, if any,