

SUTTER-STOCKTON PUBLIC PARKING
LEASE

THIS INDENTURE, made this 5th day of May, 1959, by and between the CITY AND COUNTY OF SAN FRANCISCO, a California municipal corporation, hereinafter referred to as "City," first party and Lessor, and CITY OF SAN FRANCISCO UPTOWN PARKING CORPORATION, a California non-profit corporation, hereinafter referred to as "Lessee," second party,

W I T N E S S E T H :

WHEREAS:

1. The Parking Authority of the City and County of San Francisco, hereinafter referred to as "Authority," after careful investigation and study, and upon the basis of competent economic and engineering advice, adopted its Resolution No. 172 on January 23, 1957, finding and determining that additional off-street public parking facilities are needed immediately and are justified and should be located on the site hereinafter described, resolving and recommending that the Board of Supervisors of the City, hereinafter referred to as "Board," designate said site for a public parking facility, which site and use thereof were approved by City Planning Commission on March 1, 1956, as being in conformity with the Master Plan;

2. Board adopted its Resolution No. 18371 (Series of 1939) approved on October 16, 1957, finding and determining that said site is necessary and convenient for the use of the people of the City and should be acquired forthwith for a public parking site by City, approving and designating said site as a public off-street parking site, and requesting said Authority to submit a Joint Working Agreement to said Board setting forth the

respective powers of City and said Authority in regard to the acquisition of said site and the use thereof as a public off-street parking facility;

3. Said Authority on January 23, 1957, adopted its Resolution No. 174 approving a form of Joint Working Agreement for execution by itself and City, and said Board acting for City, on October 14, 1957, adopted its Resolution No. 18372 (Series of 1939) approving said form of Joint Working Agreement which was thereafter executed by said parties thereon on October 16, 1957, copies of which Agreement are on file with the Clerk of said Board and the Secretary of said Authority;

4. City will, on or about the date of completion of the construction of said facility, be the beneficial owner of all of the issued and outstanding shares of the capital stock of CITY OF SAN FRANCISCO UPTOWN PARKING CORPORATION, a California corporation (herein referred to as the "Corporation"), which stock will be held in trust for City by CROCKER-ANGLO NATIONAL BANK, a national banking association (herein referred to as the "Bank") pursuant to a Declaration of Trust, dated as of April 30, 1959, to be executed by Bank, concurrently with the vesting of ownership of said shares in Bank as Trustee in trust for the City;

5. Pursuant to assistance rendered to City by Corporation under the provisions of Section 32809 of the Streets and Highways Code of the State of California and an Agreement dated December 19, 1957, between City and Corporation, Corporation agreed, at its own cost and expense, to construct or cause said facility to be constructed in accordance with the drawings and specifications and Corporation has financed or will finance all or substantially all of the cost of construction of said facility by one or more loans to it which are or will be evidenced by one or more Construction Finance Note(s) of Corporation;

6. The Lessee, by the execution of this Lease, shall agree to pay all amounts payable by Corporation upon the indebtedness evidenced by each Construction Finance Note of Corporation, together with interest thereon, in accordance with the terms thereof and to execute a Deed or Deeds of Trust encumbering the Lessee's interest in this Lease as security for the payment of the indebtedness evidenced by each Construction Finance Note of Corporation, together with the interest thereon, in accordance with the terms thereof, designated by Corporation to be so secured;

7. Pursuant to said Agreement, all of the right, title and interest of the Lessee in and to the demised premises is subject to such subleases as have heretofore been made or may from time to time hereafter be made and entered into by Corporation of all areas within said facility which are incidental to the use thereof for public parking, including all thereof not immediately designed for off-street parking purposes, and the Lessee shall by this lease assume and agree to perform all of the obligations on the part of the Sublessor to be kept and performed under all such subleases of such areas so made by Corporation;

8. Corporation has heretofore or may hereafter cause facilities or improvements to be installed within said facility by any supplier of products therefor and/or may cause such supplier to participate in the financing of such facility and should such facilities be installed or financing be effected pursuant to arrangements between Corporation and such supplier, then all of the right, title and interest of the Lessee in and to said facility shall be subject to any Facilities Lease and/or contract for the purchase of supplies made by Corporation and such supplier and the Lessee hereof shall by the execution of this Lease assume and agree to perform all of the obligations of Corporation thereunder;

9. City has acquired said site for said purpose and has called for bids for the Lease and operation of said facility, which have been received by City, and an award has been made to Lessee, as the highest and best responsible and qualified bidder;

10. The following terms, when used in this Lease, are defined terms, used only as defined, and shall have the following respective meanings, viz:

The term "acceleration" means the exercise by the holder(s) of any Construction Finance Note of any option or election of such holder(s) under the terms of said Note or any Deed of Trust securing the payment of such Note to cause the principal indebtedness evidenced by such Note to become wholly due and payable prior to the time originally stated in such Note for the payment of such indebtedness.

The term "management expense" means and includes all administrative, general and managerial expenses incurred by Lessee and all salaries and other compensation payable to all officers, directors, stockholders and managerial employees of Lessee or any member of their respective families.

The term "Construction Finance Note" means and includes each promissory note(s), Bond(s), Debenture(s), or other evidence(s) of indebtedness which Corporation has executed or will execute in substantially the form and containing substantially the terms and provisions of each promissory note(s), Bond(s), Debenture(s) or other evidence(s) of indebtedness set forth or referred to in Exhibit A attached hereto or which may hereafter be issued by Corporation to evidence indebtedness which the Corporation has incurred or will incur to finance the cost of construction of said facility (as defined in said Agreement between City and Corporation) or refinance or pay in whole or in part any loan made to Corporation for such purpose.

The term "Deed of Trust" means and includes a deed of trust, mortgage, chattel mortgage, assignment of rents, or any or all of them.

The term "drawings and specifications" mean and refer to the drawings and specifications incorporated in said Agreement between the City and Corporation as Exhibit A thereto (together with all supplemental drawings and specifications therefor) which are now on file in the office of the Parking Authority of City.

The term "expenses of foreclosure" means and includes all expenses incurred by the Trustee of any Deed of Trust, including counsel fees, with respect to the foreclosure of such Deed of Trust, all sums expended or advanced by the Trustee or Beneficiary of such Deed of Trust prior to such foreclosure in accordance with the terms and provisions of such Deed of Trust, together with interest accrued thereon, which are secured by such Deed of Trust in accordance with its terms, and which shall not prior to such foreclosure have been repaid to the Trustee or Beneficiary of such Deed of Trust.

The term "foreclosure" means the vesting by foreclosure sale or Trustee's sale pursuant to the terms of any Deed of Trust in any person, firm or corporation (including but not limited to the Beneficiary of said Deed of Trust) of title to the Lessee's interest in this Lease.

The term "year" means that period commencing on January 1 and ending on December 31 of each calendar year except that if the term shall commence on any date other than January 1, then the first year shall mean the period commencing on the date possession is delivered and ending on the December 31st next succeeding and that the last year shall end at the end of said term.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

1. EXTENT OF LEASEHOLD.

For and in consideration of the agreements, conditions and terms of this Lease to be performed by Lessee, City hereby leases to Lessee and Lessee hereby hires and takes from City the real property in the City and County of San Francisco, State of California, described as follows:

BEGINNING at the point of intersection of the northerly line of Sutter Street with the easterly line of Stockton Street; running thence easterly along said line of Sutter Street 275 feet; thence at a right angle northerly 126 feet to the southerly line of Harlan Place; thence at a right angle westerly along said line of Harlan Place 23 feet and $1\frac{3}{8}$ inches to a point distant thereon 130 feet and $10\frac{5}{8}$ inches westerly from the westerly line of Grant Avenue; thence northerly at a right angle to said line of Harlan Place 23 feet to the northerly line of said Harlan Place; thence continuing northerly 58 feet and $0\frac{1}{2}$ of an inch to a point which is perpendicularly distant 130 feet and $8\frac{1}{8}$ inches westerly from the westerly line of Grant Avenue and

also perpendicularly distant 67 feet and 11-1/2 inches southerly from the southerly line of Bush Street; thence easterly parallel with said southerly line of Bush Street 23 feet and 2-1/8 inches; thence at a right angle northerly 67 feet and 11-1/2 inches to the southerly line of Bush Street; thence at a right angle westerly along said line of Bush Street 137 feet and 6 inches to a point distant thereon 137 feet and 6 inches easterly from the easterly line of Stockton Street; thence southerly at a right angle to said line of Bush Street 137 feet and 6 inches; thence at a right angle westerly 137 feet and 6 inches to the easterly line of Stockton Street; thence at a right angle southerly along said line of Stockton Street 137 feet and 6 inches to the point of beginning.

together with any and all improvements now (or hereafter during the term) located upon said real property (said real property and all such improvements being herein referred to as the "demised premises"). Subject, however, to such subleases which Corporation has heretofore made or may hereafter make and enter into of all areas within the demised premises which are incidental to the use thereof for public off-street parking purposes, including all thereof not immediately designed for off-street parking purposes, and any lease of facilities and/or contract with any supplier of products which the Corporation has heretofore made or may hereafter make and enter into with any such supplier of products in exchange for the installation by any such supplier of improvements to the demised premises and/or the participation by such supplier in the financing of the construction of the demised premises.

2. TERM.

The term of this Lease shall be for the period of fifty (50) years from the date hereof, subject to prior termination as hereinafter provided in the event of default by Lessee, by mutual written consent or as provided in Paragraph 26 below.

3. PAYMENTS BY LESSEE FOR CITY'S ACCOUNT.

The Lessee agrees to pay to the Bank for the account of City for and on account of each year during the term

of this Lease within thirty (30) days after the end of such year a sum equal to One Hundred Percent (100%) of an amount equal to (a) the gross receipts during such year less (b) the total of all amounts to be disbursed by Bank during such year pursuant to Subparagraphs (a), (b), (c) and (d) of Paragraph 4 of this Lease. All such payments shall be made by Lessee in lawful money of the United States of America, free from all claims, demands or set-offs against City of any kind or character whatsoever.

Any dispute with respect to the amount so payable by Lessee for and on account of any such year shall be submitted to and determined by the then City Controller whose determination shall be final.

Budget

The Lessee shall prepare or cause to be prepared prior to the commencement of the operation of said facility as a public garage a budget setting forth in reasonable detail the contemplated expenditures to be incurred in the operation of said facility during the first period of approximately twelve (12) months in which said facility will be operated and shall annually thereafter prepare a similar budget for each succeeding twelve (12) months' period. Two copies of each such budget shall be filed with the City Controller of the City and one copy of each such budget shall be filed with the Trustee under any Indenture securing any of the Construction Finance Notes referred to in Exhibit A. Such City Controller shall review the budget and make such recommendations with respect thereto as he may deem advisable and deliver a copy thereof to the Lessee and to the Trustee under any such Indenture. Each such budget shall be changed to conform to any recommendations of the City Controller and the Lessee shall conform to each such budget with such changes, if any, as shall have been recommended therein by the City Controller.

Lessee shall, within ten (10) days after the end of each calendar month, render to City a correct, detailed and complete statement in writing on a form prescribed by the City Controller, showing all gross receipts in, on, about or from the demised premises during such month. Such statement shall be signed and verified under oath and forwarded to said Controller by United States mail. XUP

The term "gross receipts" as used herein includes but is not limited to:

(1) The gross revenues received by or for the Lessee or any other person, firm or corporation from the operation of the demised premises for the parking of any vehicle therein or as a public facility;

(2) The selling price of all merchandise or other personal property of every description sold in, on, about or from the garage portions of the demised premises in the ordinary course of business by or for the Lessee or any other person, firm or corporation; provided, however, that the selling price of all such merchandise returned by the customer, after purchase, and accepted by the seller thereof so that the sale of such merchandise to such customer is canceled, shall be excluded; provided, further, that with respect to sales of cigarettes, coca cola, candy and similar items by vending machines only a sum equal to the amount paid to or for the Lessee or any other person, firm or corporation operating said facility or any part thereof, for and on account of such sales shall be included in gross receipts;

(3) All charges of any character made by or for the account of Lessee or any other person, firm or corporation for the rendition of any services or work of any kind in connection with any business conducted in, on, about or from the garage portions of the premises;

(4) The gross amount of all deposits forfeited by customers in connection with any business of Lessee or any other person, firm or corporation, in, on, about or from the garage portions of the premises;

(5) All orders accepted by or for Lessee or any other person, firm or corporation in, on, about or from the garage portions of the premises, but to be executed or filled for work to be performed at any other place, and all orders which are accepted at any other place but are to be executed or filled or the work to be performed by or for Lessee or any other person, firm or corporation in, on, about or from the garage portions of the premises; and

(6) All rents or other things of value paid to or to the order of the Lessee by any person, firm or corporation for or on account of the right to use any portion of the demised premises for uses incidental to public parking, whether by sublease, license or other arrangement, which rents shall be paid by each sublessee, licensee, or other occupant directly to the Bank.

There shall be excluded from the term "gross receipts" the selling price of all merchandise and all charges for services rendered in, on or from all areas within said facility which are incidental to public parking (including all thereof subleased by corporation) in the manner permitted by this Lease. The term "garage portions of the demised premises," for purposes of this paragraph, means the whole of the demised premises except such areas therein which are incidental to public parking and are not in fact used for the parking of vehicles or as a garage.

4. LESSEE'S PAYMENT OF AND SECURITY FOR EACH CONSTRUCTION FINANCE NOTE OF CORPORATION:

The Lessee agrees:

(1) To pay to the holder(s) of each Construction Finance Note of Corporation all amounts payable by the Corporation upon the indebtedness evidenced by such Construction Finance Note, together with the interest thereon, in accordance with the terms thereof;

(11) On demand of any such holder concurrently with or after the execution of any such Note, to execute and deliver to such holder an instrument in writing and in form satisfactory to such holder stating that the Lessee has, by the execution of this Lease, agreed to pay all such amounts so payable upon the indebtedness evidenced by any such Construction Finance Note which shall set forth therein a copy of such Note;

(111) To execute and acknowledge, as Trustor, a Deed or Deeds of Trust in such order of priority as may be designated by Corporation, each of which shall be substantially the form attached hereto as Exhibit B granting and assigning to the Trustee thereof, in trust, the Lessee's interest in this Lease as security for the payment of the indebtedness evidenced by each Construction Finance Note of the Corporation, together with the interest thereon, according to the terms thereof, designated by Corporation to be secured by and stated in such Deed of Trust to be secured and all other obligations secured by said Deed of Trust;

(1v) Not to cancel this Lease or amend, modify or alter any of its terms hereof without the written consent of Corporation and the holder(s) of each such Construction Finance Note; and

(v) To assume and perform all of the obligations of the Corporation under all subleases which the Corporation has heretofore made or may hereafter make and enter into of all space within the demised premises of areas incidental to off-street parking purposes (including all thereof not immediately designed for public parking) and under any facilities lease and/or contract for the purchase of supplies which the Corporation has made or may hereinafter make in exchange for the installation by such supplier of facilities in the demised premises and/or its participation in the financing of such facility;

provided, however, that after the foreclosure of any such Deed of Trust, any person, firm, or corporation (including but not limited to the Beneficiary of said Deed of Trust) who shall acquire title to the Lessee's interest in this Lease through such foreclosure shall have no personal liability for the payment of the indebtedness evidenced by any such Construction Finance Note and shall be obligated to pay such indebtedness solely from the gross receipts deposited with and to be disbursed by the Bank in accordance with this Paragraph 4 of this Lease. Each such Deed of Trust shall be executed in such order of priority and to such Trustee

as shall be designated by the Corporation for the benefit of the holder(s) of each Construction Finance Note so designated by the Corporation to be secured thereby, as Beneficiary.

The Lessee's agreements in this Paragraph 4 are agreements with and enforceable by Lessor and made for the express benefit of and shall be directly enforceable by Corporation and the holder(s) of each such Construction Finance Note. Lessee shall not have any right of reimbursement or subrogation from or against the Corporation on account of any payments or obligations to be made or performed by Lessee pursuant to this Paragraph 4. If the Lessee should fail to execute any such Deed of Trust, then City at any time prior to the recordation in the Office of the Recorder of the City of such a Deed of Trust constituting an encumbrance upon the Lessee's interest in this Lease as security for the payment of any Construction Finance Note(s) of the Corporation stated to be secured thereby, may, at its option, terminate this Lease by written notice given to Lessee to that effect in which event the term of this Lease shall terminate on the giving of such notice.

The Lessee agrees to pay all gross receipts within one (1) business day after the receipt thereof to the Bank which is hereby irrevocably authorized and directed to disburse therefrom as of any particular time the following sums in the following order of priority at such time, to-wit:

(a) All amounts then payable by Corporation upon the indebtedness evidenced by each Construction Finance Note of Corporation, together with the interest thereon, in accordance with the terms thereof, which amounts shall, notwithstanding any foreclosure of any Deed of Trust securing the payment of the indebtedness evidenced by any such Note or the acceleration of such indebtedness remain nevertheless in all respects the same after any such foreclosure or acceleration as if no such foreclosure or acceleration had occurred.

All such amounts shall be disbursed first to the holder(s) of any such Note secured by a Deed of Trust constituting

an encumbrance upon the Lessee's interest in this Lease to the extent of such amounts as are then so payable upon each such Note in the order of priority of such Deed of Trust over any other Deed of Trust constituting such an encumbrance, i.e., all amounts then so payable upon any Note(s) secured by a first Deed of Trust shall be paid prior to payment of any amount then so payable upon any Note(s) secured by a second Deed of Trust, and so on, until all amounts then so payable upon all such Notes which are so secured shall have been paid. After such amounts shall have been disbursed, all amounts then payable to the holder(s) of any such Note(s) which are unsecured shall be disbursed and, if there be more than one unsecured Note, prorated among the holders of all such Notes in the proportion which the unpaid balance of principal of each such unsecured Note bears to the total unpaid balance of principal of all such unsecured Notes.

In the event of the foreclosure of any such Deed of Trust, (i) such person, firm or corporation (including but not limited to the Beneficiary thereof) who shall acquire title to the Lessee's interest in this Lease through such foreclosure and his successors in interest shall thereafter be entitled to such amounts as would have been disbursed to the holder(s) of any Note secured by such Deed of Trust if such foreclosure had not occurred, (ii) the expenses of foreclosure of such Deed of Trust shall, for purposes hereof, become an amount payable upon the indebtedness evidenced by any Note secured by such Deed of Trust at the time of such foreclosure, and (iii) such foreclosure shall not otherwise affect the amounts to be so disbursed.

(b) To the Lessee, subject to examination, audit and approval by the City Controller, all normal and reasonable operating and maintenance expenses of the operation of the demised premises then payable or properly accrued in accordance with good accounting practice or payable within thirty (30) days thereafter, including but not limited to wages, and salaries, utilities, supplies, taxes, equipment rental, insurance, charges of Bank for acting hereunder, auditing fees, legal fees, and such other proper and necessary expenses that are customary in the operation of such a facility but, without otherwise limiting the generality of the foregoing, excluding therefrom

(i) all amounts payable by Lessee to Bank for the account of City pursuant to Paragraph 3 hereof;

(ii) any charge, allowance or expense for depreciation or amortization of the Lessee's interest in the demised premises or any other property, except personal property and equipment used in the operation of said garage and owned by the Lessee;

(iii) any interest;

(iv) any management expense; and

(v) any other expense not approved by the City Controller.

(c) To the Lessee an amount equal to all management expense incurred and then or within thirty (30) days thereafter payable by it up to but not exceeding an amount equal to Ten Thousand Dollars (\$10,000.00) per year;

(d) To Corporation all necessary and reasonable operating expenses (other than amounts payable upon such Construction Finance Notes) approved by the City Controller incurred by it as a result of the assistance granted to City by Corporation in constructing or causing said facility to be constructed or performing its obligations under said Agreement with City and all taxes, if any, payable by it upon or with respect to said facility or the amounts to be paid under this Lease or said Agreement;

(e) To the Bank for the account of City all amounts payable by Lessee for and on account of any year under Paragraph 3 of this Lease; and

(f) To the Lessee any amount which shall remain, at the end of any year, after the disbursement of all amounts to be disbursed pursuant to the foregoing Subparagraphs (a) through (e), both inclusive, during such year.

All gross receipts so paid to the Bank shall be held by it in trust to be so disbursed. The Bank shall make all disbursements to be made pursuant to Subparagraphs (b) and (c) upon the basis of a certificate executed by the principal financial officer of Lessee and delivered to the Bank and shall make all disbursements to be made pursuant to Subparagraphs (a) and (d) upon the basis of a certificate executed by the principal financial officer of Corporation and delivered to the Bank; provided, however, that such certificates with respect to Subparagraphs (b) and (d) shall bear by endorsement thereon the approval of the Controller of the City or his duly authorized representative. Said disbursements shall be made by Bank on the basis of certificates certifying that such disbursements are then payable as hereinabove provided at any time held by Bank without regard to the foregoing provisions for priority of payments except with respect to such certificates as shall then be held by the Bank and the Bank

shall make such disbursements pursuant to any such certificates then held by it in accordance with the priorities hereinabove set forth to the extent of the funds then held by Bank.

Bank may make disbursements pursuant to any certificate certifying such disbursements to be then payable as hereinafter provided which shall then be held by it if there are sufficient funds on hand to permit such disbursement and if the Bank shall not then have received a certificate that a disbursement having a higher priority is then payable, without regard to any knowledge which the Bank may have with respect to other payments that may thereafter become due or payable. The Lessee agrees to execute any instrument further defining the duties, responsibilities and liabilities of the Bank as fiscal agent hereunder and which shall be requested by the Bank and be approved by Corporation and City.

The amounts to be disbursed and all disbursements actually made pursuant to this Paragraph 4 shall be subject to examination, audit and approval by the City Controller, to whom any dispute with respect thereto shall be submitted and whose determination of such dispute shall be final. If said Controller shall determine any amount to have been improperly disbursed, then the amount of such improper disbursement shall be refunded to the Bank to be disbursed by it pursuant to this paragraph. The provisions of this paragraph of Paragraph 4 shall not affect in any way the rights or duties of the Bank which shall be governed exclusively by the provisions of the next preceding paragraph of this Paragraph 4.

The Bank shall render an annual accounting to City, the Lessee and the Corporation as soon as reasonably possible after

the end of any calendar year and if said accounting is not objected to by any of said persons within ninety (90) days after its rendition, said accounting shall be deemed correct in all respects and shall be final and binding upon the City, the Lessee and the Corporation. If Bank should at any time be unable or unwilling to act, then a Trustee shall be appointed to act in the place of Bank hereunder by written agreement of City, Lessee, Corporation and the holder of each Construction Finance Note, or if such an agreement is not executed within thirty (30) days, by the Superior Court of City, which in the absence of good cause to the contrary shall be a bank or trust company doing business in San Francisco.

5. USE OF LEASED PREMISES.

The demised premises shall (except as hereinafter provided in this paragraph) be used solely for the operation of a public automobile parking facility and for the incidental sale of petroleum and petroleum products, and shall be operated for the benefit and convenience of the public, who shall have the right to use said facility at all times herein mentioned at the established rates and charges as hereinafter provided except any areas incidental to public parking included therein and subleased by Corporation for uses incidental thereto; provided, however, that the portion of the demised premises devoted to such incidental use shall not exceed the amount permitted by law. Such incidental use of the demised premises shall be secondary to their primary use as a parking facility.

In the event of the inability of City to deliver possession at the time of commencement of this Lease (including but not limited to the construction of the demised premises)

neither City nor Parking Authority shall be liable for any damage caused thereby, nor shall this lease become void, but times for performance under the terms of this lease shall be extended for a time equal to the delay and in such event Lessee shall not be liable for any payment until such time as City shall deliver possession.

Lessee shall not do or permit anything to be done in or about the premises, or bring or keep anything therein, which will in any way conflict with any law, ordinance or rule or regulation which now or may hereafter be enacted or promulgated by any public authority, or create or suffer to be created a nuisance, or commit or suffer to be committed any waste upon the premises, or use, or allow the premises to be used, for any improper, immoral, unlawful or objectionable purposes, or obstruct the sidewalk in front of, within, or adjacent to the premises, or do or permit to be done anything in any way tending to disturb the occupants of the neighboring property.

6. ALTERATIONS AND IMPROVEMENTS.

All alterations and improvements that may be made by the Lessee shall comply with all building, electrical, health and fire codes of the City, and Lessee shall be allowed to make such alterations and improvements at its own expense; provided that plans for such work must be submitted to and approved in writing by the City's Director of Property and the Parking Authority before commencing such work. Unless otherwise provided by written agreement, all additions to, improvements and alterations of, the premises, except trade fixtures, shall become a part of the realty, and be the property of City and shall remain upon and be surrendered with the premises. Lessee agrees that if it shall

make any alterations or improvements, that it will so notify the City's Director of Property and the Parking Authority in writing and not take such action until five (5) days thereafter, in order that City may post appropriate notices of non-responsibility. Lessee will at all times permit such notices to be posted and to remain posted for the time required by law.

7. MAINTENANCE AND REPAIRS.

CITY agrees to turn over to Lessee upon the effective date hereof or as soon as it is possible for City to do so, the demised premises in good operating condition. Lessee has examined said premises and knows the condition thereof and accepts same as they now are or will consist of upon substantial completion of any improvements now under construction in substantial accordance with plans and specifications therefor now on file in the office of City's Director of Property. Lessee, at its own cost and expense, shall maintain said premises and every part or facility thereof in good order and repair and in good and safe condition, and at its own expense make all repairs necessary thereto, all of which obligations of Lessee shall be performed to the satisfaction of City's Director of Property and said Authority. Lessee waives the benefits of sub-sections 1 and 2 of section 1932 and of sections 1941 and 1942 of the California Civil

Code and all rights to make repairs at the expense of City as provided in said sections. Upon termination of this Lease Lessee shall surrender the demised premises in as good condition as when received, except for ordinary wear and tear and damage by act of God, the elements, the public enemy or any casualty not included within the risks to be insured against under paragraph 15 hereof, which shall be deemed not included within Lessee's obligation to maintain, repair, or rebuild the demised premises.

8. UTILITIES, ETC.

Lessee shall pay the established charges for all utility services furnished to, or used by, Lessee on or about the premises, for connections to same, and for such other special services which it may require in the demised premises. Lessee shall furnish at its own cost and expense all electrical light bulbs or tubes used in or about the premises.

9. ADVERTISING SIGNS.

Lessee shall not erect or display or permit to be erected or displayed any sign or advertising matter of any kind on the demised premises without first obtaining the written consent of City's Director of Property, and Authority; provided, however, that Lessee shall at its own expense install and maintain suitable signs as are requested

and approved by said Director and Authority to designate appropriately the parking areas and their entrances and exits, as well as for other purposes, and that said facility is a joint project of City and Authority.

10. INGRESS AND EGRESS.

Lessee shall have and enjoy full rights of ingress to and egress from the demised premises for all uses of the demised premises as are specified in this lease, subject only to such interferences or disturbances beyond the control of City and to such reasonable rules and regulations as may be established by City respecting such use.

11. INSPECTION OF PREMISES.

Lessee will permit City, its respective agents or employees and the Authority and its agents or employees to enter into and upon the premises at all reasonable times for the purpose of inspecting the same.

12. RATES AND CHARGES.

It is agreed by Lessee that the public as a matter of right shall be entitled to use the demised premises as a public parking facility at all times during which said facility shall be operated subject to such rates, charges, regulations and restrictions as shall be initially fixed and established or from time to time thereafter modified by City. The rate of twenty-five cents (25¢) for the first hour and twenty cents (20¢) for each hour thereafter is hereby fixed and established by the City as the initial parking rate and charge to be made by the Lessee per automobile parked in said facility which said rate shall be effective except during any period in which a different rate or rates shall have been established by City and be in effect and during any such period said rate and charge shall be such as shall then have been established by City and

be in effect. Upon application of Lessee or the Beneficiary of any Deed of Trust securing the payment of any Construction Finance Note which constitutes an encumbrance upon the Lessee's interest in this Lease, City agrees to set and establish rates and charges for the parking of vehicles in the demised premises which shall be adequate to insure that the gross receipts deposited with the Bank during each year pursuant to the provisions of this Lease will at least equal an amount sufficient to permit Bank to disburse and pay therefrom all amounts to be disbursed by Bank during such year pursuant to subparagraphs (a), (b), (c) and (d) of paragraph 4 of this Lease, plus an additional amount equal to twenty per cent (20%) of the amount which the Bank is required to disburse therefrom pursuant to subparagraph (a) of paragraph 4 of this Lease during such year.

13. OPERATION AND CONDITIONS OF PREMISES.

Lessee agrees, at its own expense, to maintain and keep the demised premises in clean, good condition and repair, to operate the same continuously, and to be open not less than a sixteen (16) hour per day basis, in an efficient manner as a first-class parking garage during the demised term, and not to vacate or abandon the demised premises during the term hereof, and upon expiration of the demised term or sooner termination, as provided for in this Lease, to surrender the premises, including the garage structure and any and all fixtures and appurtenances to the City in good, clean and sanitary condition, and free and clear of all liens and encumbrances. Lessee shall at all times operate said garage on a basis of not less than ninety-five per cent (95%) customer parking in accordance with the following formula, namely, that the operation of said garage shall at all times be by complete customer parking except that not more than 5% of the vehicles parked

in said garage during any 24 hour period commencing at 12:00 o'clock midnight may be parked, moved, or delivered to customers by employees of the Lessee.

14. MODIFICATION OF CERTAIN TERMS.

It is agreed by Lessee that City may from time to time establish and thereafter modify all rates and charges for parking of vehicles by Lessee or any other person, firm or corporation, and reasonable rules and regulations with respect to the hours and days of operation by Lessee, restrictions on all-day and monthly parking, and the public uses and purposes permissible on or in the demised premises, that Lessee will at all times comply therewith, and that this Lease and all of its terms and provisions with respect to such rates and charges, hours and days of operation, restrictions on all day and monthly parking and public uses and purposes are subject to modification in accordance with law, provided, however, that the provisions of this paragraph 14 with respect to rates and charges are subject to the provisions of paragraph 12 of this Lease.

15. EXPLOSION AND FIRE INSURANCE.

Lessee agrees to maintain at Lessee's own expense throughout the full term of this lease, policies of insurance against loss or damage by fire or explosion with extended coverage endorsement. If and when War Damage insurance is obtainable from the United States of America or an agency thereof or a corporation formed by the United States Government, policies of War Damage insurance shall be obtained on said structures and contents. All of said policies shall be at least in the amount of One Hundred (100%) per cent of the replacement cost of the improvements included within the demised premises and shall contain standard replacement

cost endorsements providing for no deduction or depreciation. Said policies shall name City and Lessee as parties insured, and, if there be a Deed of Trust constituting an encumbrance upon the Lessee's interest in this Lease, the New York Standard Mortgagee Clause endorsement shall be added to said policies making loss thereunder payable to the mortgagee or beneficiary of said Deed of Trust in the order of priority of such Deed of Trust over any other Deed of Trust; provided, however, that all amounts payable which constitute payments of claims under such policies payable to any mortgagee or beneficiary of any Deed of Trust shall be payable to the Bank as Insurance Trustee, but in the event said Bank fails or refuses to so act, the Insurance Trustee shall be a San Francisco Bank or Trust company as designated by City's Controller.

Said policies shall contain either (a) waivers by the insurer of its right of subrogation given by said New York Standard Mortgagee Clause, including any right the insurer may have to receive the assignment of the whole or any part of the Deed of Trust under the provisions of said New York Standard Mortgagee Clause, or, in the alternative, such policies shall contain (b) the agreement of the insurer that its right of subrogation under said New York Standard Mortgagee Clause shall not become effective until the insurer's claim of no liability for payment of loss or damage under the policy shall have been legally established and such subrogation shall not in any way impair the right of the mortgagee or beneficiary of the Deed of Trust to take such action under the provisions of the Deed of Trust as it deems necessary without consultation with the insurer, in order to re-

cover from the mortgagor or trustor the whole principal and interest, together with all other amounts due under said Deed of Trust, but less any sums paid by the insurer as to which the insurer's claim of no liability has been legally established, unless such sums have been paid over to the Insurance Trustee for the purposes herein provided.

Any payment by the insurer by which the insurer becomes subrogated to any rights of the mortgagee or beneficiary of any Deed of Trust to recover any sums from the mortgagor or trustor shall not constitute a payment of a claim under such insurance policies or under this Lease, and such policies shall so provide.

Duplicate originals or certified copies of such insurance policies shall be delivered upon commencement of coverage, to the City Controller, and shall contain "ten days prior notice to said Controller of cancellation or material change thereof" endorsement. Said policies shall be approved as to legal form by the City Attorney and as to insurers by the City Controller.

In the event of loss, the Insurance Trustee shall hold, apply and make available to the Lessee the net proceeds of such insurance to reimburse the Lessee according to the schedule of payments to be approved by City acting through the City Controller, Lessee and the Insurance Trustee for costs incurred by Lessee in reconstructing, repairing or restoring the damaged property, excepting, however, that the Insurance Trustee may deduct from such moneys reasonable charges for so acting and except that the Insurance Trustee shall withhold from each amount so to be paid by it Ten _____ (10%) per cent thereof until the work of repair-

ing or rebuilding shall have been completed and proof has been furnished to the Insurance Trustee and the City Controller that no lien or liability has attached or will attach to the demised premises or to the City or leasehold estate in connection with such repairing or rebuilding. Before beginning such repairs or rebuilding or letting any contracts in connection therewith, the Lessee, in the event loss shall exceed one hundred thousand dollars (\$100,000.), shall submit for the approval of the Board, which approval shall not be unreasonably withheld or delayed, plans and specifications therefor. Promptly after receiving such approval of said Plans and specifications, the Lessee shall begin repairs or rebuilding and shall prosecute the same to completion with diligence, subject, however, to any delay or postponement thereof due to act(s) of God, the public enemy, strike(s), fire(s), riot(s), boycott(s), injunction(s) or other cause beyond the reasonable control of Lessee. Such repairs or rebuilding shall be completed free and clear of mechanics' or other liens, conditional bills of sale and chattel mortgages and be in accordance with all requirements of laws, ordinances, regulations and orders of any Federal, State, municipal or other public authority relating thereto and with all requirements of the Pacific Fire Rating Bureau and of any liability insurance company insuring City and Lessee against liability for accidents in or connected with the demised premises. Upon compliance with the above requirements and after final approval by the City any surplus of net insurance proceeds shall be paid to Lessee by the Insurance Trustee.

Upon being advised by City, or the leasehold mort-

gagge or beneficiary of a Deed of Trust on the leasehold estate, during the course of construction or repair as aforesaid, of the occurrence of a default by the Lessee under the Lease or leasehold Deed of Trust, the Insurance Trustee shall upon presentation by the City, the leasehold mortgagee or beneficiary of the Deed of Trust, of such proof thereof as the Insurance Trustee shall require, refrain from paying to or for the benefit of the Lessee any insurance proceeds then or thereafter in the hands of the Insurance Trustee until it shall have received such proof as it may require that such default has been cured by the Lessee. In the event of any such default by the Lessee and the presentation of such proof by City, or the leasehold mortgagee or beneficiary of the Deed of Trust, to the Insurance Trustee, said Insurance Trustee shall hold, apply and make available to the leasehold mortgagee or beneficiary of the Deed of Trust the net proceeds of such insurance, subject to the deductions aforesaid if (i) the leasehold mortgagee or beneficiary of the Deed of Trust has become vested with all of the right, title and interest of the Lessee in and to this Lease or (ii) such leasehold mortgagee or beneficiary of the Deed of Trust is the holder of an irrevocable agency from the Lessee to enter upon the premises and take and hold possession of the same in the place and stead of the Lessee for the purpose of effecting such repairs, rebuilding and restoration, and such leasehold mortgagee or beneficiary of the Deed of Trust elects to so enter, any such right or agency or possession thereunder not to constitute such leasehold mortgagee or beneficiary of the Deed of Trust a lessee or sublessee under this Lease. A copy of any such irrevocable agency shall be

filed with the City Controller. In the event of the termination of this Lease the Insurance Trustee shall, on demand of the City pay over to the City the net proceeds of such insurance less the amount of its charges for acting as Trustee.

16. GARAGE KEEPER'S LIABILITY INSURANCE.

Lessee, at its own expense throughout the term of this Lease, shall furnish to City a standard form of garage keeper's legal liability insurance policy, subject to approval as to form by the City Attorney and as to insurer by the Controller, insuring the Lessee, City, Authority, the members of Authority, and the officers, agents and employees of each of them, and the Beneficiary and Trustee of any Deed of Trust constituting an encumbrance upon the Lessee's interest in this lease against loss from liability imposed by law for damage to parkers' vehicles by fire, explosion, theft, riot, civil commotion, vandalism or malicious mischief. The limit of liability shall be not less than \$75,000, and the liability resulting from acts of malicious mischief or vandalism may be subject to a deduction of \$25.00. A duplicate original policy or policies of such insurance shall be delivered to the City Controller upon commencement of operation of said garage and shall contain standard cross-liability and "ten days prior notice to Director of Property of cancellation or material change thereof" endorsements.

17. LIABILITY AND PROPERTY DAMAGE INSURANCE

Lessee shall throughout the term of this lease, at its own cost and expense, procure and maintain in full force and effect an insurance policy or policies in pro-

tection of City, Authority and members of Authority, and the officers, agents, and employees of each of them, and the Beneficiary and Trustee of any Deed of Trust constituting an encumbrance upon the Lessee's interest in this Lease, in a company or companies approved by the City Controller and in form approved by the City Attorney, indemnifying said parties against loss or liability for damages for personal injury, death or property damage occasioned by reason of the operations of Lessee upon, in and around the demised premises, with minimum liability limits of \$150,000 for personal injury or death of each person and \$500,000 for personal injury or deaths of two or more persons in each accident or event, and in a minimum amount of \$50,000 for damage to property resulting from each accident. If such insurance is provided by a policy or policies which also provide insurance for the Lessee or any one other than those above named, then such policy or policies shall contain a standard cross-liability endorsement. Said policy shall contain an endorsement that a written notice of cancellation or of any material change in said policy shall be delivered to said Director of Property ten (10) days in advance of the effective date thereof. A duplicate original of said policy shall be delivered to City Controller upon issuance.

18. INDEMNIFICATION.

City, Authority, the members of Authority, and the officers, agents, and employees of each of them shall not be liable to Lessee or to any other party whomsoever for any death, injury or damage that may result to any person or property by or from any cause whatsoever, in, on or about the demised premises or any part thereof. Lessee shall indemnify and

hold City, the Authority, the members of the Authority, and the officers, employees and agents of each of them, harmless from and defend City, Authority, the members of Authority, and the officers, agents and employees of each of them, against any and all claims, liens and judgments for death of any person or damage to property whatsoever, occurring in, on or about the demised premises or any part thereof, and amounts paid by Lessee on account thereof which are not covered by insurance shall be deemed to be an operating expense of Lessee for purposes of paragraph 4 of this Lease.

19. TAXES, ASSESSMENTS AND LIENS.

Lessee agrees to pay whatever taxes of any kind may be assessed on this leasehold interest and other taxes, excises, licenses, permit fees, charges and assessments upon Lessee that may be provided by law, all of which shall be paid when the same become due and payable, or before delinquency.

This lease contemplates that title to the leased premises shall be vested in the City, and that the interest of City in and to said premises shall not be the subject of taxation. However, in the event that City's title and interest in and to said premises shall be taxed by reason of the sale of the property by City, or otherwise, the new Lessor or owner, its successors or assigns, agree to pay any taxes or assessments imposed by reason of their ownership or interest in the leased premises, and, in the event that the said new Lessor or owner, its successors or assigns, fail to pay any such taxes or assessments, it is agreed that Lessee may pay the same, for and on behalf of said new Lessor or owner, its successors or assigns, and deduct any

such payment so made from any payment becoming due and payable by Lessee to Bank for the account of City under this Lease.

20. DEFAULT BY OR BANKRUPTCY OR REORGANIZATION PROCEEDING BY OR AGAINST LESSEE.

If (a) Lessee or its assignee shall fail to pay, when due, any moneys payable hereunder, or to perform any of the other terms, covenants and conditions herein contained, or if (b) Lessee's interest herein or any part thereof, be assigned or transferred without the written consent of City, either voluntarily or by operation of law, or if (c) Lessee or assignee shall file any petition or institute any proceeding under the bankruptcy act, either as such act now exists or under any amendment thereof which may hereafter be enacted, or under any act or acts, State or Federal, dealing with or relating to the subject or subjects of bankruptcy or insolvency, or under any amendment of such act or acts, either as a bankrupt, or as an insolvent, or as a debtor, or in any similar capacity, wherein or whereby Lessee asks or seeks or prays to be adjudicated a bankrupt, or to be discharged from any or all of Lessee's debts or obligations, or offers to Lessee's creditors to effect a composition or extension of time to pay Lessee's debts or asks, seeks, or prays for a reorganization or to effect a plan of reorganization, or for a readjustment of Lessee's debts, or to effect a plan of readjustment of Lessee's debts, or for any other similar relief, or if any such petition or any such proceedings of the same or similar kind or character be filed or be instituted or taken against Lessee, or if a receiver of the business or of the property or assets of the Lessee shall be appointed by any

court, except a receiver appointed at the instance or request of City, or if the Lessee shall make a general or any assignment for the benefit of Lessee's creditors, or if (d) the Lessee or assignee shall abandon or vacate the premises, then Lessee or assignee shall be deemed to be in default hereunder.

If any such default shall continue for more than thirty (30) days after written notice of such default (including the nonpayment of any amount payable hereunder) to Lessee or any assignee (and to any beneficiary or mortgagee of record of any Deed of Trust of record or other record lien holder who may have a leasehold mortgage or Deed of Trust or to any trustee to whom the leasehold created hereby may have been assigned by a trust indenture), City in addition to such other rights or remedies as it may have, except as hereinafter in this paragraph provided, and unless such default consists of a failure to pay any amount payable upon any Construction Finance Note, shall have the right to terminate this Lease, and the immediate right of re-entry upon giving three (3) days' notice to Lessee, and thereupon may remove all persons and property from the leased premises.

It is agreed that: (i) the Lessee and any such mortgagee or other lien holder or trustee shall have the right to cure any such default within said thirty (30) days period by paying, performing or satisfying such term, covenant, or condition; (ii) if such default is of such a nature that it cannot be remedied within such thirty (30) day period then the Lessee and such mortgagee, other lien holder or trustee shall have such additional time as is reasonably necessary to cure such default, provided that it commences the curing of such default within the thirty (30) day period;

and (iii) if such default consists of a failure to pay any amount payable upon the indebtedness evidenced by any Construction Finance Note by reason of the gross receipts being insufficient or otherwise, then City shall not have the right to terminate this Lease or the right of re-entry. In the event that the default is of such nature that it cannot reasonably be cured by any such mortgagee or other lien holder or trustee (including but not limited to the defaults specified under (b), (c) and (d) of this paragraph) the said thirty (30) day period above described shall be extended to correspond with the period reasonably required by such mortgagee, other lien holder or trustee, to accelerate principal due on said mortgage and to institute and to complete foreclosure proceedings and place said mortgagee, lien holder or trustee or successor, in possession of the premises under this lease. It is agreed that any such mortgagee, lien holder, or trustee described above, while not in possession of the premises, shall be exonerated from performing any covenant of this lease which can only be performed by a tenant in possession; it being intended that under such circumstances such mortgagee, or other lien holder or trustee, shall be liable for such performance, while but only while in possession of the demised premises and shall have the right to foreclose under the security. After such default shall have been cured or such mortgagee, or other lien holder or trustee, shall have entered into

possession of the demised premises under this Lease after such foreclosure proceedings or otherwise, any right of City to terminate this Lease or re-enter upon the demised premises by reason of such default shall cease provided that any such default which can be cured shall have been cured within said thirty (30) day period or in the case of any default, other than the payment of money, which cannot reasonably be cured within said period of time, then within such additional period of time as is reasonably required for the curing of such default.

The foregoing right to terminate shall also be effective if Lessee shall be a partnership or joint venture and any individual, partner, or joint venturer, respectively, shall proceed or be proceeded against in the manner above set forth.

The foregoing remedies of City shall not be exclusive, but shall be cumulative and in addition to all remedies now or hereafter allowed by law or elsewhere provided for in this Lease.

21. ASSIGNMENT AND SUBLETTING.

This Lease may not be assigned by Lessee without the written consent of City, provided, however, that such consent shall not be unreasonably withheld by City. No assignment shall release the Lessee from the performance of its obligations hereunder nor shall any such assignment (except any assignment for security purposes hereinafter provided for) be made unless simultaneously with such assignment, there shall be delivered to City an instrument in writing executed by the assignee under which such assignee shall assume and agree to perform all of the obligations of Lessee under this Lease.

City agrees that Lessee may at any time assign,

mortgage or otherwise encumber the Lessee's interest in this Lease and leasehold estate as security for the payment of any indebtedness of Corporation which is evidenced by any Construction Finance Note of Corporation and any other obligation secured under the form of Deed of Trust attached hereto as Exhibit "B" and consents to any such security assignment, mortgage or encumbrance as security for the payment of such indebtedness and also to the transfer thereof to any transferee of the indebtedness so secured subject to this condition: that any such assignment, mortgage or encumbrance shall provide that the assignee, mortgagee or person in whose favor such encumbrance shall be made shall be obligated to perform the terms of this Lease on Lessee's part to be performed while, but only while, such assignee, mortgagee or other person is in such capacity in possession of the demised premises and any person, firm or corporation (including but not limited to such assignee, mortgagee or other person) who or which shall acquire title to the Lessee's interest in this Lease or the leasehold estate pursuant to foreclosure shall be bound by and obligated to perform all obligations of this Lease on the Lessee's part to be performed subsequent to such foreclosure and that no other or further assignment thereof shall be made without City's written consent. Lessee shall furnish City with copies of any indentures, contracts or agreements in connection therewith. City also consents to the assignment of the Lessee's interest in this Lease and leasehold interest by the holder of any indebtedness so secured upon the exercise of its remedies under the security instrument, provided that the assignee under such assignment shall deliver to City upon

the exercise of the remedies of the holder of such indebtedness an agreement in writing enforceable by and for the benefit of City and each other person for whose benefit the covenants of paragraph 4 of this Lease have been made under the terms of which such assignee shall assume and agree to perform all covenants of this Lease on the Lessee's part to be kept and performed.

The Lessee shall not sublet the demised premises or any part thereof without the written consent of City, which consent shall not be unreasonably withheld except that (a) after the foreclosure of any Deed of Trust constituting an encumbrance upon the Lessee's interest in this Lease, Lessee may sublet all or any part of the demised premises and (b) the Lessee may sublet such portion of the demised premises as, under the terms of this lease, the Lessee is permitted to use for uses incidental to public parking (excluding all areas subleased or to be subleased at any time or from time to time by corporation) to any person, firm or corporation in which the Lessee has no direct or indirect interest provided that each such sub-lease shall be entered into at a reasonable rate of rental substantially equivalent to the fair rental value of the portion of the demised premises so sub-leased which shall be included in the gross receipts. Any sublease shall be subject to all terms, covenants and provisions of this Lease.

The Lessee will notify City in writing of each sublease, giving the name of the sublessee, the purpose of the sublease, and the term for which it is granted, and the area so subleased.

A sublease hereunder shall not be for any period of time greater than the term of this Lease and shall end with the termination of this Lease howsoever the termination is caused.

22. NON-WAIVER OF DEFAULTS.

The waiver by City of any breach by Lessee of any term, covenant, or condition hereof shall not operate as a waiver of any subsequent breach of the same or any other term, covenant or condition hereof. No term, covenant or condition of this Lease can be waived except by the written consent of the City, and forbearance or indulgence by the City in any regard whatsoever shall not constitute a waiver

Lessee to which the same may apply, and, until complete performance by the Lessee of said term, covenant or condition, City shall be entitled to invoke any remedy available unto it under this lease or by law despite said forbearance or indulgence.

23. COMPLIANCE WITH LAWS.

Lessee shall abide by all laws and governmental order or regulations and amendments thereto controlling or limiting in any way at the present or in the future Lessee's use of the demised premises during the term hereof.

24. LABOR AND MATERIALS.

All labor to be performed and materials to be furnished in the operations of the Lessee hereunder shall be at the cost and expense of Lessee, and City shall not be chargeable with, or liable for, any part thereof; and Lessee shall protect and defend City's property against liens of every character arising from Lessee's operations thereon.

25. RIGHTS ON TERMINATION.

Upon termination of this lease or upon re-entry under paragraph 20 hereof, all interests of Lessee or assignee, in and to the demised premises, the garage structure, and any and all appurtenances and fixtures shall forthwith cease and terminate.

Lessee agrees to immediately surrender the premises at the termination, expiration or cancellation of the tenancy herein created, in good condition, reasonable use and wear thereof and damage by act of God, the elements, the public enemy or any casualty not included within the risks to be insured against under paragraph 15 hereof excepted; and deliver to the City a good and sufficient quit-claim deed or other form of relinquishment, if and when requested. Upon surrender of the premises, either at the expiration of the term or otherwise, Lessee agrees to remove

all personal property belonging to Lessee or others and all rubbish from the premises, and if not so removed by Lessee, City may have the same removed at Lessee's expense.

26. OPTION TO TERMINATE LEASE.

In the event that all indebtedness evidenced by each Construction Finance Note of the Corporation, together with the interest thereon, in accordance with their respective terms shall have been fully paid prior to the expiration of the stated term of this Lease and there shall have been no foreclosure of any Deed of Trust securing the payment of such indebtedness, or, if in the judgment of City's Director of Property, it appears that all such indebtedness will have been paid within three hundred sixty-five (365) days and that no such foreclosure will occur, then and in either such event, City may, at its option, terminate this Lease by giving written notice to that effect to the Lessee in which event the term of this Lease shall terminate on the later to occur of (i) three hundred sixty-five (365) days after such notice shall be given, or (ii) the payment of all indebtedness evidenced by each Construction Finance Note of Corporation.

In the event that there shall be a foreclosure of any Deed of Trust securing the payment of the indebtedness evidenced by any Construction Finance Note of Corporation and the total of all payments upon the indebtedness evidenced by each such Construction Finance Note (including interest thereon) and all disbursements by bank pursuant to sub-paragraph (a) of paragraph 4 of this Lease, subsequent to such foreclosure to any person, firm or corporation (and his successors in interest) acquiring title to the Lessee's interest in this Lease through such foreclosure shall equal the total of the expenses of such foreclosure and all amounts which would have been paid upon the indebtedness evidenced by each Construction Finance Note of Corporation, together with the interest thereon, in accordance with the terms thereof, if no such foreclosure or acceleration of any

such indebtedness had occurred and the indebtedness evidenced by each such Note and such interest had been paid in full in accordance with the terms thereof, then either the City or such person, firm or corporation (including but not limited to the Beneficiary of said Deed of Trust) who shall acquire title to the Lessee's interest in this Lease through such foreclosure and his successors in interest may, at his or its option, terminate this Lease by giving written notice to that effect in which event the term of this Lease shall terminate three hundred sixty-five (365) days after such notice shall be given.

27. CHARTER PROVISIONS--PARKING ORDINANCE NO. 9072.

All terms of this Lease shall be governed by and be subject to the fiscal and other provisions of City's charter and the provisions of Parking Ordinance No. 9072 as said Ordinance may hereafter be amended.

28. AGREEMENT MADE IN CALIFORNIA.

This Agreement shall be deemed to be made in and shall be construed in accordance with the laws of the State of California.

29. PARAGRAPH HEADINGS.

The paragraph headings contained herein are for convenience in reference and are not intended to define or limit the scope of any provisions of this Lease.

30. NOTICES:

Except as otherwise provided herein, all notices to be given between the parties hereto shall be in writing and shall be deposited in the United States mail, postage prepaid and registered and addressed to City at the office of the City's Director of Property, City Hall, San Francisco, and a copy thereof shall likewise be forwarded to Parking Authority, 500 Golden Gate Avenue, San Francisco,

and notices to Lessee shall be addressed to Lessee at such address as it indicates in writing to City.

31. NAME OF GARAGE.

It is agreed by the parties hereto that said garage shall at all times be operated under the name "Sutter Stockton Garage" or some other name approved in writing by City.

32. EMINENT DOMAIN.

Any award made in eminent domain for taking or damaging the demised premises in whole or in part shall be paid to City and Lessee in accordance with their respective interests.

33. ENTIRE AGREEMENT.

This Agreement is the entire Agreement between the parties hereto and said parties will not recognize any agreement or promises claimed to have been made but which are not embodied herein.

34. SUCCESSORS AND ASSIGNS.

Subject to the provisions hereof relating to assignment, this Agreement shall bind and inure to the benefit of the successors and assigns of the parties hereto.

35. TIME.

Time is of the essence of this Lease. Wherever in this Lease the Lessee is required to do or perform any act or thing within a specified time and the Lessee shall be delayed in the doing or performance of any such act or thing by reason of Acts of God, the public enemy, strikes, fires, riots, boycotts or injunctions, then the time for doing such act or thing shall be extended for a period equal to the period of delay. And in the event that the Lessee shall be delayed due to any other cause or casualty beyond the control of the

Lessee, then the time for the doing of such act or thing may, in the discretion of the Lessor, be extended for a period equal to the period of such delay.

IN WITNESS WHEREOF, the parties hereto have executed these presents in triplicate the day and year first hereinabove written.

LESSOR

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation,

ATTEST:

By Robert J. Dolan
Clerk, Board of Supervisors

By George Christopher
Mayor

LESSEE

CITY OF SAN FRANCISCO UPTOWN
PARKING CORPORATION, a California
nonprofit corporation,

ATTEST:

By Caroline A. Paul
Secretary

By W. D. Weice
President

ATTEST:

By Thomas Joseph
Secretary to Authority

By Albert H. Mendenhall
Chairman

APPROVED:

By Philip L. Ryan
Director of Property

APPROVED:

By Shirley D. Quaker
Chief Administrative Officer

APPROVED AS TO LEGAL FORM:

DION R. HOLM, City Attorney

By James C. Hill
Deputy City Attorney

STATE OF CALIFORNIA
CITY AND COUNTY OF SAN FRANCISCO } ss.

On the 8th day of May, in the year One Thousand Nine Hundred Fifty Nine, before me, MARTIN MONGAN, County Clerk of the City and County of San Francisco, and ex officio Clerk of the Superior Court of the State of California, in and for the City and County of San Francisco, personally appeared HONORABLE GEORGE CHRISTOPHER, Mayor of the City and County of San Francisco, a municipal corporation, and ROBERT J. DOLAN, Clerk of the Board of Supervisors of the City and County of San Francisco, known to me to be the Mayor and the Clerk of the Board of Supervisors of the municipal corporation described in and who executed the within instrument and also known to me to be the persons who executed it on behalf of the municipal corporation therein named, and they and each of them acknowledged to me that such municipal corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in the City and County of San Francisco, State of California, the day and year in this Certificate first above written.

Martin Mongan

County Clerk of the City and County of San Francisco, State of California, and ex officio Clerk of the Superior Court of the State of California, in and for the City and County of San Francisco.

STATE OF CALIFORNIA
CITY AND COUNTY OF SAN FRANCISCO } ss.

On the 5th day of May, in the year One Thousand Nine Hundred Fifty Nine, before me, DOROTHY J. FELSTEAD, a Notary Public in and for said City and County of San Francisco, residing therein, duly commissioned and sworn, personally appeared MICHEL D. WEILL and EDWARD D. KEIL, known to me to be the President and Secretary, respectively, of City of San Francisco Uptown Parking Corporation, the corporation that executed the within instrument and also known to me to be the persons who executed the within instrument on behalf of the corporation therein named and acknowledged to me that such corporation executed the same pursuant to a resolution of its Board of Directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the City and County of San Francisco the day and year in this Certificate first above written.

Dorothy J. Felstead

NOTARY PUBLIC

in and for the City and County of San Francisco, State of California.

My Commission expires November 20, 1960.

EXHIBIT A

TO

SUTTER STOCKTON PUBLIC PARKING LEASE

The Construction Finance Notes referred to in the Lease to which this Exhibit is attached consist of the following Construction Finance Notes, to wit:

1. An issue of Bonds of the City of San Francisco Uptown Parking Corporation, a California corporation, in the aggregate principal amount of Three Million Three Hundred Thousand Dollars (\$3,300,000.00), bearing interest at the rate of five and one-quarter percent (5 $\frac{1}{4}$ %) per annum, and issued or to be issued under and equally and ratably secured by a Bond Indenture executed or to be executed by the City of San Francisco Uptown Parking Corporation and Crocker-Anglo National Bank, as Trustee, a copy of which Indenture is attached hereto as Exhibit A-1. The form of said Bonds is set forth in said Indenture;
2. A Promissory Note dated April 1, 1959, of the City of San Francisco Uptown Parking Corporation and payable to the order of Pacific National Bank of San Francisco in the principal sum of Two Hundred Fifty Thousand Dollars (\$250,000.00). A copy of said Promissory Note is attached to this exhibit as Exhibit A-2 and by this reference made a part hereof.
3. A Promissory Note dated April 1, 1959, of City of San Francisco Uptown Parking Corporation and payable to the order of Crocker-Anglo National Bank in the principal sum of One Hundred Thirty Thousand Dollars (\$130,000.00). A copy of said Promissory Note is attached to this exhibit as Exhibit A-3 and by this reference made a part hereof; and
4. All other Construction Finance Notes which may hereafter be issued by said City of San Francisco Uptown Parking Corporation to evidence indebtedness which said Corporation has incurred or may hereafter incur to finance the cost of construction of said facility (as defined in the Agreement referred to in Paragraph 5 on Page 2 of the Lease to which this Exhibit is attached) or refinance any Construction Finance Notes described in Paragraphs 1, 2 and 3 of this Exhibit A; provided that the terms of each such Construction Finance Note referred to in this subparagraph 4 are approved by the Controller of the City and County of San Francisco.

PROMISSORY NOTE

\$250,000.00

San Francisco, California

April 1, 1959

For value received, CITY OF SAN FRANCISCO UPTOWN PARKING CORPORATION, a California non-profit corporation (hereinafter called the "Corporation") hereby promises to pay to PACIFIC NATIONAL BANK OF SAN FRANCISCO, a national banking association, or order, in lawful money of the United States, the principal sum of TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000.00), together with interest at the rate of five and one-fourth per cent (5-1/4%) per annum on the unpaid portion of said principal sum from the date hereof until said principal sum is paid. Principal and interest are payable as follows:

(1) On the 1st day of April, 1966, all interest then accrued shall be paid in full (no payment of interest being required prior to that date except from surplus revenues as hereinafter provided) and accrued interest shall be paid semi-annually on the first day of October and the first day of April of each calendar year thereafter, until the principal sum is repaid in full; and

(11) Principal shall be paid semi-annually, in fourteen (14) installments of FOURTEEN THOUSAND EIGHT HUNDRED FIFTY SEVEN DOLLARS (\$14,857.00) or more each, on the first day of April and the first day of October of each calendar year, beginning upon April 1, 1966, the final installment of principal and interest due hereunder to be paid on April 1, 1973, unless payment in full of said principal and interest shall have been made prior to said date, as hereinafter provided.

The Corporation has simultaneously with the execution of this Promissory Note issued THREE MILLION THREE HUNDRED THOUSAND DOLLARS (\$3,300,000.00), in aggregate principal amount of its Bonds, all of which bear interest at the rate of five and one-fourth per cent (5-1/4%) per annum and mature twenty-five (25) years after their date and all of which have been issued under and are equally and ratably secured by a Bond Indenture dated April 1, 1959, executed by the Corporation to Crocker-Anglo National Bank, as Trustee, which is now of record in the office of the Recorder of the City and County of San Francisco under Recorder's Serial No. _____ and which is hereinafter referred to as "said Bond Indenture."

Commencing after the Trustee under said Bond Indenture shall have credited to all Bond Service and Reserve Funds the minimum amounts which under the terms of said Bond Indenture the Trustee is directed to credit thereto before disbursing the revenues of the Sutter-Stockton Garage for payments on account of principal on indebtedness subordinated to the Bonds, the Corporation further promises to pay on account of the indebtedness evidenced by this Note to the holder hereof, on or before the thirtieth day after the end of each calendar year out of the funds then held by the Trustee under said Bond Indenture in the Surplus Revenues account provided for therein an amount equal to the excess of all surplus revenues (as defined below) derived from the operation of the Sutter-Stockton Garage over all prior payments of principal and interest upon this Note. Each such payment shall be credited first against accrued interest and the balance against the next succeeding installment of principal payable hereunder.

As used in this Promissory Note:

(a) The term "surplus revenues" means and includes the excess of the gross revenues received by the Lessee during such calendar year from the operation of the Sutter-Stockton Garage under the Lease thereof between the City and County of San Francisco, as Lessor and _____, as Lessee, dated _____, over and above the total of (i) all amounts required to be paid into said Bond Service and Reserve Funds to be established or maintained by the terms of said Bond Indenture and (ii) all operating and other expenses of the operation of said garage and matters incident thereto and all expenses of the Corporation which the Trustee is authorized under said Indenture to pay to the Corporation. Said Lease was recorded on _____ in the office of the Recorder of the City and County of San Francisco, under Recorder's Serial No. _____.

(b) The term "Sutter-Stockton Garage" means the off-street public parking facility having a capacity of approximately 950 cars to be constructed and erected by the Corporation at the Northeast corner of Sutter and Stockton Streets, San Francisco, California, in accordance with the terms of an Agreement, dated December 19, 1957, between the City and County of San Francisco and the Corporation.

(c) The term "Bond Service and Reserve Funds" means and includes the Interest Fund Account, Sinking Fund Account, Contingent Reserve Fund Account and Bond Reserve Fund Account to be established or maintained by the Corporation under the terms of said Bond Indenture.

Anything in this Promissory Note to the contrary notwithstanding, it is agreed by and between the Corporation and the holder(s) from time to time of this note that the

indebtedness evidenced by this Promissory Note is hereby subordinated to the indebtedness represented by all Bonds issued under said Bond Indenture and during any period of time in which an event of default shall exist and remain unremedied under the terms of said Bond Indenture or the amounts then held by the Trustee on deposit in all Bond Service and Reserve Funds shall be less than the minimum amounts to be established or maintained therein by the terms of said Indenture, the holder(s) from time to time of this note shall have no recourse against any of the revenues, i.e., the Revenues Account created thereunder, pledged to secure the payment of the Bonds issued under said Bond Indenture to enforce any payment (except any interest payable on account of this Note while the Corporation is not in default in the payment of principal or interest upon the Bonds) due under this note provided, however, that nothing contained in this paragraph shall limit the obligations of the corporation to make the payments provided for herein at the respective times stated herein or otherwise prejudice or impair the rights and remedies of the holder(s) of this Note or of the beneficiary or beneficiaries of the Deed of Trust securing this Promissory Note.

In addition to said principal and interest, the maker of this Note hereby promises to pay all costs of collection (including a reasonable attorney's fee) of this Promissory Note and hereby waives presentment, protest, notice of protest or notice of dishonor of this Promissory Note.

All sums payable upon this Promissory Note are payable at the office of Pacific National Bank of San Francisco at No. 333 Montgomery Street, San Francisco, California, or at such other place as the holder hereof may from time to time designate.

The privilege is reserved to prepay the indebtedness evidenced by this Promissory Note at any time or from time to time in whole or in part without any prepayment premium or penalty, and in the event any amount shall be prepaid on the indebtedness evidenced by this note from any source other than surplus revenues the amount of such prepayment shall ratably reduce each installment of principal thereafter becoming due under this Promissory Note.

In the event that the monies deposited by the Trustee in the Revenues Account shall at any time or from time to time be insufficient to permit any amount due on this Promissory Note to be paid on behalf of the Corporation by the Trustee exclusively out of the surplus revenues and the Corporation shall be unable to make any payment due hereunder out of such surplus revenues, then and in such event the time for payment thereof as set forth in the Note shall be postponed for a period of one (1) year or until such earlier time as sufficient surplus revenues shall have become available but the time for payment of any installment shall not be extended for more than one (1) year.

This Promissory Note is secured by a Deed of Trust of even date herewith.

IN WITNESS WHEREOF this Promissory Note has been executed by the undersigned by its duly authorized officers as of the date first hereinabove written.

CITY OF SAN FRANCISCO
UPTOWN PARKING CORPORATION

By _____
Its President

By _____
Its Secretary

EXHIBIT A-3

PROMISSORY NOTE

\$130,000.00

San Francisco, California,
February 1, 1959

On demand, and if no demand is made, then six (6) months after date, for value received, the undersigned, a corporation, promises to pay to CROCKER-ANGLO NATIONAL BANK, or order, at its No. 1 Sansome Street Office in San Francisco, California, the sum of One Hundred Thirty Thousand and no/100ths Dollars, with interest thereon at the rate of 5-1/2 per centum per annum from date hereof until paid, said interest payable monthly and principal and interest payable in lawful money of the United States of America. Upon default in payment of any interest hereon when due, the whole of the principal sum shall, at the option of the holder hereof, become immediately due and payable, without demand or notice. In case payment hereof shall not be made at maturity, the undersigned further promises to pay all costs of collection and a reasonable attorney's fee.

CITY OF SAN FRANCISCO UPTOWN PARKING
CORPORATION

By: M. D. Weill
President

By: James J. Ludwig
Treasurer