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LEASE AGREEMENT
(Paseo Colorado Parking Facilities)

by and between the

PASADENA PUBLIC FINANCING AUTHORITY

and the

CITY OF PASADENA, CALIFORNIA

Dated as of September 1, 2008

relating to

\$ _____
Pasadena Public Financing Authority
Taxable Variable Rate Demand Lease Revenue Refunding Bonds
(Paseo Colorado Parking Facilities)
Series 2008

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LEASE AGREEMENT
(Paseo Colorado Parking Facilities)

This LEASE AGREEMENT (Paseo Colorado Parking Facilities), dated as of September 1, 2008 (this "Lease"), is entered into by and between the PASADENA PUBLIC FINANCING AUTHORITY, a joint exercise of powers authority duly organized and existing under the laws of the State of California (the "Authority"), as sublessor, and the CITY OF PASADENA, CALIFORNIA, a municipal corporation organized and existing under a charter adopted pursuant to the Constitution and laws of the State of California (the "City"), as sublessee:

W I T N E S S E T H:

WHEREAS, in 2000, in connection with certain redevelopment and modernization of a shopping center and the improvement of certain parking facilities and other related property and facilities adjacent thereto, the Pasadena Community Development Commission (the "Commission") entered into (i) an Amended and Restated Operation and Reciprocal Easement Agreement for Paseo Colorado, made and entered into as of May 1, 2000 (the "REA"), by and among Developers Diversified Realty (successor in interest to H-CHH Associates) (the "Developer"), the Commission and Federated Western Properties, Inc., an Ohio corporation and (ii) a Parking Operation and Maintenance Agreement, made and entered into as of May 1, 2000 (the "POMA"), by and among the Developer, the Commission and Federated Western Properties, Inc., an Ohio corporation (the REA and the POMA are collectively referred to herein as the "Development Agreements"); and

WHEREAS, in 2000, the Authority authorized the issuance of its Taxable Variable Rate Demand Lease Revenue Bonds (Paseo Colorado Parking Facilities), Series 2000 (the "2000 Bonds") to assist in the refinancing of a developer's interest under a parking lease related to parking facilities located in the City and the financing of the costs of certain improvements to be made to the parking facilities and other related property and facilities (collectively, the "Project"); and

WHEREAS, in connection with the financing of the Project and the issuance of the 2000 Bonds, the Commission leased certain properties to the Authority pursuant to an Authority Lease, dated as of June 1, 2000 (the "2000 Authority Lease"), by and between the Commission and the Authority, and the Authority subleased such properties to the City pursuant to a Lease Agreement, dated as of June 1, 2000 (the "2000 Lease"), by and between the Authority and the City; and

WHEREAS, the 2000 Bonds were payable solely from revenues of the Authority, consisting primarily of lease payments payable by the City to the Authority under the 2000 Lease; and

WHEREAS, the Commission, the City and the Authority have determined that it is in the best interests of the City at this time to refinance the City's obligation to make the lease payments under the 2000 Lease, and as a result thereof, it is in the best interest of the Authority to refund all of the currently outstanding 2000 Bonds; and

WHEREAS, the Authority desires to issue \$_____ in aggregate principal amount of Taxable Variable Rate Demand Lease Revenue Refunding Bonds (Paseo Colorado Parking Facilities), Series 2008 (the "Bonds"), pursuant to a certain Trust Agreement, dated as of September 1, 2008 (the "Trust Agreement") by and between the Authority and Wells Fargo Bank, National Association, as trustee (the "Trustee"), for the purposes of providing funds to refund the 2000 Bonds, funding a reserve fund for the Bonds and paying the costs of issuance of the Bonds; and

WHEREAS, in connection with the Commission's desire to assist the Authority in refinancing the 2000 Bonds through the issuance of the Bonds, the Commission, as lessor and the Authority, as lessee, intends to enter into a certain Authority Lease, dated as of the date hereof (the "Authority Lease"), whereby the Commission leases to the Authority certain real property and improvements, as more particularly described in Exhibit B hereto (the "Leased Premises");

WHEREAS, in furtherance of the issuance of the Bonds, the Authority, as sublessor, desires to sublease the Leased Premises to the City, as sublessee, pursuant to this Lease;

WHEREAS, under this Lease, the City will be obligated to make Lease Payments (including any Excess Amount), Additional Payments and Reserve Replenishment Rent to the Authority for the lease of the Leased Premises and the Authority will pledge such Lease Payments to the Trustee for payments of the Bonds; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Lease do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Lease;

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

ARTICLE I

DEFINITIONS AND EXHIBITS

Section 1.01. Definitions.

Terms used herein and not otherwise defined herein but defined in the Trust Agreement shall have the meanings ascribed to them in the Trust Agreement. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Lease, have the meanings herein specified.

Additional Payments

The term “Additional Payments” means those payments required to be made by the City pursuant to Section 4.10 hereof.

Authority

The term “Authority” means the Pasadena Public Financing Authority, a joint exercise of powers authority duly organized and existing under the laws of the State of California.

Authority Lease

The term “Authority Lease” means the Authority Lease (Paseo Colorado Parking Facilities), dated as of the date hereof, by and between the Commission, as lessor, and the Authority, as lessee, with respect to the Leased Premises.

Bonds

The term “Bonds” means the Authority’s Taxable Variable Rate Demand Lease Revenue Refunding Bonds (Paseo Colorado Parking Facilities), Series 2008.

City

The term “City” means the City of Pasadena, California, a municipal corporation organized and existing under a charter adopted pursuant to the Constitution and laws of the State of California.

Closing Date

The term “Closing Date” means the date the Bonds are initially issued pursuant to the Trust Agreement.

Commission

The term “Commission” means the Pasadena Community Development Commission, a public body, corporate and politic, duly organized and existing under the laws of the State of California.

Developer

The term “Developer” means Developers Diversified Realty (successor in interest to H-CHH Associates).

Development Agreements

The term “Development Agreements” means (i) the Amended and Restated Operation and Reciprocal Easement Agreement for Paseo Colorado, made and entered into as of May 1, 2000 (the “REA”), by and between the Developer and the Commission and (ii) the Parking Operation and Maintenance Agreement, made and entered into as of May 1, 2000 (the “POMA”), by and among the Developer, the Commission and Federated Western Properties, Inc.

Fiscal Year

The term “Fiscal Year “ means the fiscal year of the City, which is the period from July 1 to and including the following June 30.

Insurance Consultant

The term “Insurance Consultant” means a person or firm appointed by the City, but shall not include any employee, director or officer of the City or firm in which any partner, member, director, officer or employee is an employee, director or officer of the City, and recognized as qualified to survey risks and determine the adequacy of self insurance reserves for self insurance programs.

Lease

The term “Lease” means this Lease Agreement (Paseo Colorado Parking Facilities), dated as of September 1, 2008, by and between the Authority, as sublessor, and the City, as sublessee, with respect to the Leased Premises.

Leased Premises

The term “Leased Premises” means all of that certain real property more particularly described in Exhibit B attached hereto and made a part hereof; subject, however, to Permitted Encumbrances.

Lease Payments

The term “Lease Payments” means those payments required to be made by the City pursuant to Section 4.03 hereof.

Lease Year

The term “Lease Year” means the period from each June 2 to and including the following June 1 during the term hereof.

Maximum Annual Lease Payments

The term “Maximum Annual Lease Payments” means the aggregate Lease Payments (including any Excess Amount), Additional Payments and Reserve Replenishment Rent for any Lease Year, which amount shall not exceed [\$3,500,000].

Permitted Encumbrances

The term “Permitted Encumbrances” means, as of any particular time: (i) the Development Agreements; (ii) the Authority Lease and this Lease, as they may be amended from time to time; (iii) liens for general ad valorem taxes and assessments, if any, not then delinquent; (iv) any contested right or claim of any mechanic, laborer, materialman, supplier or vendor filed or perfected in the manner prescribed by law following the date of recordation of this Lease; (v) easements, rights-of-way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the Closing Date; and (vi) easements, rights-of-way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions established following the date of recordation of this Lease and to which the Commission, the Trustee and the Authority consent in writing.

Reserve Replenishment Rent

The term “Reserve Replenishment Rent” means Reserve Replenishment Rent payable pursuant to Section 4.03(e) hereof.

Term

The term “Term” shall have the meaning ascribed thereto in Section 4.02(a) hereof.

Trust Agreement

The term “Trust Agreement” means the Trust Agreement, dated as of September 1, 2008, by and between the Authority and the Trustee, pursuant to which the Authority will issue the Bonds.

Trustee

The term “Trustee” means the Trustee named in the Trust Agreement, and any successor appointed under the Trust Agreement.

Section 1.02. Interpretation.

(a) Unless the context otherwise indicates, all words expressed in the singular shall include the plural and vice versa, and the use of the neuter, masculine or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine or feminine gender, as appropriate.

(b) All headings of the articles and sections and subsections hereof and the table of contents hereof are solely for convenience of reference and do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references herein to "Articles," Sections" and other subsections are to the corresponding Articles, Sections or subsections hereof, and the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Lease as a whole and not to any particular Article, Section or subsection hereof.

Section 1.03. Exhibits. The following Exhibits are attached to, and by reference made a part of, this Lease:

Exhibit A: Schedule of Principal Components of Lease Payments.

Exhibit B: Legal Description of the Leased Premises.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.01. Representations, Covenants and Warranties of the City. The City represents, covenants and warrants as follows:

(i) The City is a municipal corporation duly organized and validly existing under and by virtue of the Constitution and laws of the State of California and is possessed of full power to lease real and personal property;

(ii) All authorizations or approvals or other action by, and notice to or filing with, any governmental authority or regulatory body have been obtained which are required for the due execution and delivery by the City of this Lease;

(iii) Assuming due authorization, execution and delivery by the other parties hereto, this Lease is the legal, valid and binding obligation of the City, enforceable against the City in accordance with its terms except as the enforceability thereof may be limited by applicable insolvency, liquidation, readjustment of debt or similar proceeding of, or moratorium applicable to, the City and by general principles of equity if equitable remedies are sought;

(iv) Neither the execution and delivery of this Lease, nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby, (a) conflicts with or results in a breach of the terms, conditions or provisions of any restriction, agreement or instrument to which the City is now a party or by which the City is bound, or constitutes a default under any such restriction, agreement or instrument, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the City, or upon the Leased Premises except for the pledges contained in the Trust Agreement and

the liens created by the Authority Lease and this Lease or (b) results in an abatement of the City's obligations hereunder;

(v) All requisite official action of the City has been taken at meetings duly noticed, convened and had to authorize the consummation of the transactions contemplated by this Lease; and

(vi) Upon conversion of the Bonds to a Fixed Rate Mode, the City will execute and deliver a Continuing Disclosure Agreement in accordance with the continuing disclosure requirements promulgated under Securities and Exchange Commission Rule 15c2-12(b)(5). The City will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Lease, failure of the City to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default hereunder or under the Trust Agreement; however, the Trustee may (and, at the request of any Participating Underwriter (as defined in the Continuing Disclosure Agreement) or the Owners of at least twenty-five percent (25%) in aggregate principal amount of Outstanding Bonds, shall) or any Owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Section. For purposes of this Section, "Beneficial Owner" means any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

Section 2.02. Representations, Covenants and Warranties of the Authority. The Authority represents, covenants and warrants as follows:

(i) The Authority is a joint exercise of powers authority duly organized, existing and in good standing under and by virtue of the laws of the State of California, including, particularly, Chapter 5, Division 7, Title 1 (commencing with Section 6500 of the Government Code of the State of California) and has the power to enter into this Lease, the Authority Lease, the Trust Agreement, the Standby Bond Purchase Agreement and the Remarketing Agreement; is possessed of full power to own and hold real and personal property, and to lease and sell the same; and has duly authorized the execution and delivery of all of the foregoing agreements;

(ii) All authorizations or approvals or other action by, and notice to or filing with, any governmental authority or regulatory body have been obtained which are required for the due execution and delivery by the Authority of this Lease, the Authority Lease, the Trust Agreement, the Standby Bond Purchase Agreement and the Remarketing Agreement;

(iii) Assuming due authorization, execution and delivery by the other parties thereto, this Lease, the Authority Lease, the Trust Agreement, the Standby Bond Purchase Agreement and the Remarketing Agreement each is the legal, valid and binding obligation of the Authority, enforceable against the Authority in accordance with its terms except as the enforceability thereof may be limited by applicable insolvency,

liquidation, readjustment of debt or similar proceeding of, or moratorium applicable to, the Authority and by general principles of equity if equitable remedies are sought;

(iv) Neither the execution and delivery of this Lease, the Authority Lease, the Trust Agreement, the Standby Bond Purchase Agreement or the Remarketing Agreement, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Authority is now a party or by which the Authority is bound, or constitutes a default under any such restriction, agreement or instrument, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Authority, or upon the Leased Premises, except for the pledges contained in the Trust Agreement and the liens created by the Authority Lease and this Lease;

(v) All requisite official action of the Authority has been taken at meetings duly noticed, convened and had to authorize the consummation of the transactions contemplated by this Lease, the Authority Lease, the Trust Agreement, the Standby Bond Purchase Agreement and the Remarketing Agreement; and

(vi) The Authority warrants that it has, pursuant to the Authority Lease, acquired and is the leasehold owner of the Leased Premises.

ARTICLE III

RESERVED

ARTICLE IV

AGREEMENT TO LEASE; TERM OF LEASE; LEASE PAYMENTS

Section 4.01. Lease. The Authority hereby leases to the City (without option to purchase and subject to the Permitted Encumbrances) the Leased Premises, and the City hereby leases from the Authority (subject to the Permitted Encumbrances), upon the terms and conditions set forth herein, the Leased Premises.

Section 4.02. Term.

(a) The term of this Lease (the "Term") shall commence on the date hereof and shall end on June 1, 2038, unless terminated prior thereto upon the earliest of any of the following events:

(i) Default and Termination. A default by the City resulting in the termination of this Lease pursuant to Section 8.01 hereof;

(ii) Payment of All Lease Payments. The payment by the City of all Lease Payments required under Section 4.03 hereof and any Additional Payments required under Section 4.10 hereof when due and payable upon prepayment as provided in Article IX hereof or upon provision for redemption of all Outstanding Bonds as provided in the Trust Agreement.

(b) If on June 1, 2038, the Bonds and all interest accrued thereon shall not be fully paid, or if the Lease Payments hereunder shall have been abated at any time and for any reason, or if all Additional Payments shall not have been paid in full, then the Term shall be extended until all Bonds and all Additional Payments shall be fully paid, except that the Term shall in no event be extended beyond June 1, 2048. If prior to June 1, 2038, the Bonds shall be fully paid, the term of this Lease shall end.

Section 4.03. Lease Payments.

(a) Time and Amount. Subject to the provisions of Section 4.09 (regarding abatement in event of loss of use of any component of the Leased Premises) and Article IX (regarding prepayment of Lease Payments), the City agrees to pay to the Authority, its successors and assigns, as annual rental for the use and possession of the Leased Premises, the Lease Payments plus any undischarged portion of the Excess Amount (as defined below); provided that the aggregate Lease Payments (including any Excess Amount), Additional Payments and Reserve Replenishment Rent shall not exceed the Maximum Annual Lease Payments in any Lease Year, which shall represent all sums necessary for the payment of debt service on the Bonds, as follows:

(1) By 9 a.m., Pacific Time, on the Business Day preceding each Interest Payment Date and principal payment date with respect to the Bonds (a "Lease Payment Date") and continuing until the principal of and premium, if any, and interest on the Bonds shall have been fully paid (or provision for the payment thereof shall have been made as provided in the Trust Agreement), the City shall pay in funds which will be immediately available as of such time and date, as a Lease Payment to the Authority under this Lease, a sum equal to the aggregate amount payable on such date as principal of (whether at maturity or by redemption as provided in the Trust Agreement) and premium, if any, and interest on the Bonds (which interest on the Bonds shall be estimated by the Trustee by assuming that the Bonds bear interest at the Maximum Interest Rate to the extent that an applicable Weekly Rate has not been determined by 11:00 a.m., New York city time, on the Rate Determination Date, for all or part of the applicable Interest Payment Period). In accordance with Section 6.02(B) of the Trust Agreement, the Trustee shall use its best efforts to provide the City with 10 Business Days' prior written notice of the sum due on such Interest Payment Date and principal payment date; provided, however, failure by the Trustee to give notice pursuant to this subsection, or the insufficiency of any such notice, shall not affect or diminish the obligations of the City to make payments under this subsection.

(2) Any amount at the time held by the Trustee in the Bond Fund (including any investment income credited to the Bond Fund pursuant to Section 6.05 of the Trust Agreement) for the payment of debt service on the Bonds shall be credited against the

aforesaid Lease Payments then required to be made by the City, to the extent such amount is in excess of the amount required for payment of (i) any Bonds theretofore matured or called for redemption and (ii) interest accrued to the date of redemption or maturity, in all cases where the Bonds have not been presented for payment. In accordance with Sections 6.02(B) of the Trust Agreement, the Trustee shall give the City notice of the amount in the Bond Fund to be so credited against such Lease Payments.

(3) Any amount at the time held by the Trustee in any special fund established in connection with any refunding, which amount is available and designated for payment of debt service on the Bonds on such Interest Payment Date, may also, at the election of the City, be credited against such Lease Payments.

(b) Principal Component of Lease Payments. The aggregate principal amount of Lease Payments to be paid by the City to the Authority shall be \$_____. The City shall deposit the principal component of the Lease Payments with the Trustee in the respective amounts and on the dates shown in Exhibit A hereto.

(c) Interest Component of Lease Payments. The interest component of the Lease Payments shall be deposited by the City with the Trustee on the dates set forth in (a) above and in an amount as determined as set forth in (a) above and in Sections 2.04 and 2.05 of the Trust Agreement.

(d) Excess Amount. Notwithstanding anything contained herein to the contrary, the difference in each Lease Year between the Maximum Annual Lease Payments and the Lease Payments, Additional Payments and Reserve Replenishment Rent actually paid by the City in such Lease Year, to the extent that such Lease Payments, Additional Payments and Reserve Replenishment Rent actually paid are less than the Maximum Annual Lease Payments (the "Excess Amount"), shall remain an obligation of the City to be paid in any future Lease Year or for any past Lease Year as and when needed to pay Lease Payments, including amounts payable to the Liquidity Bank pursuant to the Standby Bond Purchase Agreement, as and when the aggregate of Lease Payments, Additional Payments and Reserve Replenishment Rent exceeds or exceeded the Maximum Annual Lease Payments in such Lease Year. Except to the extent of such Excess Amount, the City shall have no obligation to pay Lease Payments, Additional Payments and Reserve Replenishment Rent for the Leased Premises, including amounts payable to the Liquidity Bank under Standby Bond Purchase Agreement, in any Lease Year in an amount greater than the Maximum Annual Lease Payments; provided, however, that in the event that the sum of the Lease Payments, Additional Payments, Reserve Replenishment Rent and the Excess Amount is less than the amount necessary to pay the Lease Payments, Additional Payments and Reserve Replenishment Rent due hereunder, amounts on deposit in the Reserve Fund shall be used, to the extent available, to make up any such deficiency.

Subject to the foregoing, if on any date on which payment of principal of, premium, if any, or interest on the Bonds is due, the balance in the Bond Fund is insufficient or unavailable to make required payments of principal of (whether at maturity or by redemption as provided in the Trust Agreement) and premium, if any, and interest due on the Bonds on such date, the City shall forthwith pay any such deficiency to the Trustee for deposit in the Bond Fund.

If the City fails to make any payment required hereunder by the due date, the Trustee shall promptly notify the Authority, the City and the Liquidity Bank of such failure by telephone, telecopy or telegram and confirm such notification by written notice in accordance with Section 6.01(E) of the Trust Agreement.

(e) Reserve Replenishment Rent. If

(1) funds have been withdrawn from the Reserve Fund in order to pay principal of or interest on the Bonds, and

(2) Lease Payments are not in abatement pursuant to Section 4.09 hereof, and

(3) the amount of such Lease Payments is, according to an independent MAI appraisal or other appraisal performed by an independent third party reasonably acceptable to the City, less than the fair rental value of the Leased Premises, and

(4) the amount on deposit in the Reserve Fund is less than the Reserve Requirement,

then the City shall pay from its first legally available moneys after payment of Lease Payments, to the Trustee, Reserve Replenishment Rent consistent with such fair rental value

(i) over a twelve-month period, in twelve substantially equal payments, or

(ii) if such payments prescribed in clause (i) is inconsistent with fair rental value, in such maximum amounts as shall be recommended by the appraisal referenced above consistent with fair rental value on each Lease Payment Date until the amount on deposit in the Reserve Fund is equal to the Reserve Requirement.

Section 4.04. No Withholding. Notwithstanding any dispute between the Authority and the City, including a dispute as to the failure of any portion of the Leased Premises in use by or in possession of the City to perform the task for which it is leased, the City shall pay all Lease Payments and Additional Payments when due and shall not withhold any Lease Payments pending the final resolution of such dispute.

Section 4.05. Fair Rental Value. The Lease Payments, Additional Payments and Reserve Replenishment Rent shall be paid by the City in consideration of the right of possession of, and the continued quiet use and enjoyment of, the Leased Premises during each such period for which said rental is to be paid. The parties hereto have agreed and determined that the total rental, assuming the Maximum Interest Rate is in effect throughout the Term of this Lease, is not in excess of the fair rental value of the Leased Premises. In making such determination, consideration has been given to the fair market value of the Leased Premises, the average cost of funds expected to be incurred, other obligations of the parties under this Lease, the uses and purposes which may be served by the Leased Premises and the benefits therefrom which will accrue to the City and to the general public.

Section 4.06. Covenant to Budget. The City covenants to take such action as may be necessary to include all Lease Payments, Additional Payments and Reserve Replenishment Rent (to the extent such Additional Payments and Reserve Replenishment Rent are known to the City at the time its annual budget is proposed) due hereunder in the City's annual budget, to maintain such amounts to the extent unpaid in that Fiscal Year in its budget throughout such Fiscal Year, and to make the necessary annual appropriations therefor. To the extent the amounts of such payments become known after the adoption of the City's annual budget, such amounts shall be included and maintained in such budget as amended. During the Term, the City will annually on or before July 1 of each year furnish to the Trustee certification that the City has complied with the requirements of this Section 4.06.

The Authority and the City understand and intend that the obligation of the City to pay Lease Payments, Additional Payments and Reserve Replenishment Rent hereunder shall constitute a current expense of the City and shall not in any way be construed to be a debt of the City in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by the City, nor shall anything contained herein constitute a pledge of the general tax revenues, funds or moneys of the City. Lease Payments, Additional Payments and Reserve Replenishment Rent due hereunder shall be payable only from current funds which are budgeted and appropriated or otherwise legally available for the purpose of paying Lease Payments, Additional Payments and Reserve Replenishment Rent or other payments due hereunder as consideration for the use of the Leased Premises. The City has not pledged the full faith and credit of the City, the State of California or any agency or department thereof to the payment of the Lease Payments, Additional Payments and Reserve Replenishment Rent or any other payments due hereunder.

Section 4.07. Assignment of Lease Payments. Certain of the Authority's rights under this Lease, including the right to receive and enforce payment of the Lease Payments to be made by the City hereunder, have been assigned to the Trustee, subject to certain exceptions, pursuant to the Trust Agreement, to which assignment the City hereby consents. The Authority hereby directs the City, and the City hereby agrees to pay to the Trustee at the Corporate Trust Office all Lease Payments or prepayments thereof payable by the City hereunder. The Authority will not assign or pledge the Lease Payments or other amounts derived from the Leased Premises and from its other rights under this Lease except as provided under the terms of this Lease, or its duties and obligations except as provided under the Trust Agreement.

Section 4.08. Use and Possession. The total Lease Payments due in any Fiscal Year shall be for the use and possession of the Leased Premises for such Fiscal Year.

Section 4.09. Abatement of Lease Payments in Event of Loss of Use.

(a) Period. The obligation of the City to pay Lease Payments shall be abated during any period in which by reason of damage, destruction or taking by eminent domain or condemnation with respect to any item or portion of the Leased Premises there is substantial interference with the use and possession of such item or portion of the Leased Premises by the City. The City waives the benefits of Civil Code Sections 1932(2) and 1933(4) and any and all other rights to terminate this Lease by virtue of any such interference and this Lease shall continue in full force and effect.

(b) Amount. The amount of any abatement shall be determined by the City such that the resulting Lease Payments represent fair rental value for the use and possession of the item or portion of the Leased Premises not damaged, destroyed, or taken. The City shall obtain an independent appraisal of the value of the Leased Premises in making such determination. Such abatement shall commence with such damage, destruction or taking and end with the substantial completion of the replacement or repair, provided, however, that during abatement, available moneys on deposit in the Reserve Fund and the Bond Fund and other special fund sources of money, including without limitation proceeds of rental interruption insurance, shall be applied to pay the Lease Payments. Upon the cessation of the occurrence of any abatement event during the term of this Lease, the City, shall deliver to the Trustee a Certificate of the City, accompanied by a written appraisal from a qualified appraiser, who may but need not be an employee of the City, stating the then current fair rental value of the Leased Premises. In the event such fair rental value is greater than the fair rental value on the Closing Date, the Lease Payments shall be increased to reflect such incremental value so that all amounts abated shall, to the extent possible, be recouped during the remaining term of this Lease.

(c) Repair or Replacement. In the event of abatement, the City will use its best efforts to repair or replace the damaged or destroyed portion of the Leased Premises, as the case may be, from special funds of the City or from other moneys, the application of which, in the Opinion of Bond Counsel addressed to the Trustee, the City and the Authority, would not result in the obligations of the City hereunder constituting indebtedness of the City in contravention of the Constitution and laws of the State.

Section 4.10. Additional Payments. In addition to the Lease Payments, the City shall also pay such amounts (“Additional Payments”) as shall be required for the payment of all administrative costs relating to the Bonds, including without limitation all expenses, compensation and indemnification of the Trustee (including its counsel) payable by the Authority under the Trust Agreement, fees of the Remarketing Agent payable by the Authority under the Remarketing Agreement, fees of auditors, accountants, attorneys or engineers, amounts owed to the Liquidity Bank, and all other necessary administrative costs of the Authority or charges required to be paid by the Authority in order to maintain its existence or to comply with the terms of the Bonds or of the Trust Agreement, including premiums on insurance maintained pursuant to Article V hereof or to indemnify the Authority and its officers and directors.

ARTICLE V

INSURANCE

Section 5.01. Fire, Extended Coverage and Earthquake Insurance.

The City shall procure or cause to be procured and maintain or cause to be maintained, throughout the term of this Lease (but only if such insurance is not provided by the Developer or a third party) insurance against loss or damage to any structures constituting any part of the Leased Premises by fire and lightning, with extended coverage insurance, vandalism and malicious mischief insurance, sprinkler system leakage insurance, boiler explosion insurance (to the extent applicable), earthquake insurance (but as to such earthquake insurance only to the

extent insurance is commercially available on the open market from reputable insurance companies) and debris removal insurance. Said extended coverage insurance shall, to the extent practicably available, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. Such insurance shall be in an amount equal to the replacement cost (without deduction for depreciation) of all structures constituting any part of the Leased Premises, excluding the cost of excavations, of grading and filling of the land and of other usual exclusions (except that such insurance may be subject to deductible clauses for any one loss of not to exceed two hundred fifty thousand dollars (\$250,000) or, in the case of earthquake insurance, the lowest reasonably available deductible) or, in the alternative, shall be in an amount and in a form sufficient in the event of total or partial loss, to enable all Bonds then Outstanding to be redeemed.

As an alternative to providing the insurance or deductible clauses required by the first paragraph of this Section, the City may provide a self-insured deductible or a self-insurance method or plan of protection (which must include earthquake protection) (but only from a special fund of the City for which the general fund of the City is not in any fashion obligated nor to which the City is otherwise obligated to make payments), but only if (i) the City obtains and provides to the Trustee, the Commission, the Authority and the Liquidity Bank a certificate of an Insurance Consultant to the effect that such deductible or method and plan (and the amount contained in the related self-insurance fund) is actuarially sufficient to provide the deductibles or coverages in the scope and amounts contemplated by the first paragraph of this Section; and (ii) the utilization of such self-insured deductible or method or plan will not preclude the obtaining of the rental interruption insurance required by Section 5.03 or cause the cancellation of any such insurance. In the event such a certificate and the required consents are so obtained and delivered, the self-insured deductible or self-insurance method or plan described therein may be implemented, but only for a period of twelve months from the date of any such certificate of an Insurance Consultant, and thereafter for each additional twelve month period which is immediately preceded by delivery to the Trustee, the Commission and the Authority of a new certificate of an Insurance Consultant. Amounts available for payment from any such self-insured deductible or self-insurance method or plan shall be deemed insurance proceeds for purposes of this Lease, the Authority Lease and the Trust Agreement.

Except as hereinafter provided, in the event of any damage to or destruction of any part of the Leased Premises caused by the perils covered by such insurance, the Authority, the Commission and the City, shall cause the proceeds of such insurance to be deposited in the Insurance and Condemnation Fund. In the event any such insurance proceeds shall be deposited in the Insurance and Condemnation Fund, the Trustee shall hold said proceeds in the Insurance and Condemnation Fund separate and apart from all other funds, to the end that such proceeds shall be applied to the repair, reconstruction or replacement of the Leased Premises to at least the same good order, repair and condition as it was in prior to the damage or destruction, insofar as the same may be accomplished by the use of said proceeds. The Trustee shall permit withdrawals of said proceeds from time to time upon receiving the Written Request of the City, as agent of the Authority, stating that the City has expended moneys or incurred liabilities in an amount equal to the amount therein requested to be paid over to it for the purpose of repair, reconstruction or replacement, and specifying the items for which such moneys were expended, or such liabilities were incurred, in such reasonable detail as the Trustee may in its discretion require. Any balance of said proceeds not required for such repair, reconstruction or replacement

as evidenced by a Certificate of the Authority to the effect that such repair, reconstruction or replacement has been completed and all amounts owing therefor have been paid or provision for the payment therefor has been made shall be treated by the Trustee as prepaid Lease Payments and transferred to the Optional Redemption Account and applied in the manner provided by Section 3.01(C) of the Trust Agreement. Alternatively, the Authority, at its option, at the written direction of the Commission and the City, and if the proceeds of such insurance together with any other moneys then available for the purpose are at least sufficient to redeem all Outstanding Bonds, may elect not to repair, reconstruct or replace the damaged or destroyed portion of the Leased Premises and thereupon shall cause said proceeds to be transferred to the Optional Redemption Account and used for the prepayment of Outstanding Bonds pursuant to the provisions of the Trust Agreement.

Section 5.02. Liability Insurance; Worker's Compensation.

Except as hereinafter provided, the City shall procure or cause to be procured and maintain or cause to be maintained, throughout the term of this Lease a standard comprehensive general liability (including automobile liability) insurance policy or policies in protection of the Commission and the Authority and their respective members, officers, agents and employees and the Trustee, indemnifying said parties against all direct or contingent loss or liability for damages for personal injury, death or property damage occasioned by reason of the operation of the Leased Premises, with minimum liability limits of \$1,000,000 for personal injury or death of each person and \$3,000,000 for personal injury or deaths of two or more persons in each accident or event, and in a minimum amount of \$200,000 (subject to a deductible clause of not to exceed \$5,000) for damage to property resulting from each accident or event. Such public liability and property damage insurance may, however, be in the form of a single limit policy in the amount of \$3,000,000 covering all such risks subject to the adjustment specified in the preceding sentence. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance carried by or on behalf of the City.

As an alternative to providing the insurance required by the first paragraph of this Section, the City may provide a self-insurance method or plan of protection (but only from a special fund of the City to which the general fund of the City is not in any fashion obligated), but only if the City obtains and provides the Trustee, the Authority and the Commission with a certificate of an Insurance Consultant to the effect that such insurance method and plan (and the amount of the self-insurance plan) is actuarially sufficient to provide the coverages in the scope and amounts contemplated by the first paragraph of this Section. In the event such a certificate is so obtained and delivered, the self-insurance method or plan described therein may be continued, but only for a period of one year after the date of any certificate of an Insurance Consultant, and thereafter for annual periods so long as there is a new certificate of an Insurance Consultant obtained and delivered to the Trustee, the Commission and the Authority at annual intervals.

Section 5.03. Rental Interruption Or Use And Occupancy Insurance.

The City shall procure or cause to be procured and maintain or cause to be maintained throughout the term of this Lease, rental interruption or use and occupancy insurance to cover loss, total or partial, of the rental income from or the use of the Leased Premises as the result of any of the hazards covered by the insurance required by Section 5.01 hereof, payable over a

period of at least [_____] in an amount sufficient to pay the total rent hereunder for a period of at least [_____] years based upon the maximum Lease Payments payable by the City under this Lease assuming an interest component calculated at the Maximum Interest Rate, except from the Fixed Rate Date, in which case Lease Payments based upon the maximum Lease Payments payable by the City under this Lease.

Section 5.04. Worker's Compensation. The City shall also maintain worker's compensation insurance issued by a responsible carrier authorized under the laws of the State of California to insure its employees against liability for compensation under the Worker's Compensation Insurance and Safety Act now in force in California, or any act hereafter enacted as an amendment or supplement thereto. As an alternative, such insurance may be maintained as part of or in conjunction with any other insurance carried by the City. Such insurance may be maintained by the City in the form of self-insurance.

Section 5.05. Title Insurance. The City shall obtain upon the execution and delivery of this Lease title insurance on the Leased Premises, in an amount equal to the aggregate principal amount of the Bonds, issued by a company of recognized standing duly authorized to issue the same, subject only to Permitted Encumbrances. Any proceeds of such insurance shall be delivered to the Trustee as prepaid Lease Payments and transferred to the Optional Redemption Account and applied in the manner provided by Section 3.01(C) of the Trust Agreement.

Section 5.06. Insurance Proceeds; Form of Policies.

All policies of insurance required by Sections 5.01, 5.03 and 5.05 hereof shall be written or endorsed to list the Trustee or an insurance trustee as an additional named insureds and to make losses, if any, payable to the Trustee or an insurance trustee as its interests may appear. The Trustee shall collect, adjust and receive all moneys which may become due and payable under any such policies, may compromise, any and all claims thereunder and shall apply the proceeds of such insurance as provided in Sections 5.01, 5.03 and 5.05 hereof. All policies of insurance required by this Lease shall be in form satisfactory to the Trustee and shall provide that the Trustee shall be given thirty (30) days' notice of each cancellation thereof. The Trustee shall not be responsible for the sufficiency of any insurance herein required. The Trustee shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the Trustee. The City shall pay when due the premiums for all insurance policies required by this Lease, or maintain a self-insurance program or programs which satisfy the requirements of this Lease and shall promptly furnish evidence of such payments or self-insurance programs to the Authority and the Trustee.

ARTICLE VI

EMINENT DOMAIN

Section 6.01. Eminent Domain. If the whole of the Leased Premises or so much thereof as to render the remainder unusable for the purpose for which it was used or intended to be used by the City shall be taken under the power of eminent domain, the term of this Lease shall cease as of the day that possession shall be so taken. The City shall take or cause to be taken such

action as is reasonably necessary to obtain compensation at least equal to the value of the Leased Premises or portion thereof taken by eminent domain. If less than the whole of the Leased Premises shall be taken under the power of eminent domain and the remainder is usable for the purposes for which it was used by the City at the time of such taking, then this Lease shall continue in full force and effect as to such remainder, and the parties waive the benefits of any law to the contrary, and in such event there shall be a partial abatement of the Lease Payments due hereunder in an amount equal to the proportion which the value of that portion of the Leased Premises taken under the power of eminent domain bears to the fair rental value of the whole of the Leased Premises which shall be equivalent to the amount by which the Lease Payments due hereunder will be reduced by the application of all or any part of any award in eminent domain to the prepayment of Outstanding Bonds pursuant to Section 3.01(C) of the Trust Agreement. So long as any of the Bonds shall be Outstanding any award made in eminent domain proceedings for taking the Leased Premises or any portion thereof shall be deposited in the Insurance and Condemnation Fund and applied as provided in Section 6.04(C) of the Trust Agreement.

ARTICLE VII

DISCLAIMER OF WARRANTIES; ACCESS

Section 7.01. Disclaimer of Warranties. THE AUTHORITY MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE CITY OF THE LEASED PREMISES OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE LEASED PREMISES, AND IN NO EVENT SHALL THE AUTHORITY BE LIABLE FOR INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR ARISING OUT OF THE LEASED PREMISES, THE AUTHORITY LEASE, THIS LEASE OR THE TRUST AGREEMENT FOR THE EXISTENCE, FURNISHING, FUNCTIONING OR CITY'S USE OF THE LEASED PREMISES.

Section 7.02. Access to the Leased Premises. The City agrees that the Authority shall have the right at all reasonable times to enter upon and to examine and inspect the Leased Premises. The City further agrees that the Authority shall have such rights of access to the Leased Premises as may be reasonably necessary to cause the proper maintenance of the Leased Premises in the event of failure by the City to perform its obligations hereunder.

ARTICLE VIII

DEFAULT AND REMEDIES

Section 8.01. Default.

(a) If the City shall fail to pay any rental payable hereunder when the same becomes due and payable, time being expressly declared to be of the essence of this Lease, or the City

shall fail to keep, observe or perform any other term, covenant or condition contained herein to be kept or performed by the City, or upon the happening of any of the events specified in subsection (b) of this Section, the City shall be deemed to be in default hereunder and it shall be lawful for the Authority to exercise any and all remedies available pursuant to law or granted pursuant to this Lease, provided that the Leased Premises continue to be operated and maintained as a public off-street vehicular parking facility, subject to the provisions of the Development Agreements. Upon any such default, the Authority, in addition to all other rights and remedies it may have at law, shall have the option to do any of the following:

(1) Terminate this Lease in the manner hereinafter provided on account of default by the City, notwithstanding any re-entry or re-letting of the Leased Premises and remove all persons in possession thereof and all personal property wheresoever situated upon the Leased Premises and place such personal property in storage in any warehouse or other suitable place in the County of Los Angeles, State of California, provided that the Leased Premises continue to be operated and maintained as a public off-street vehicular parking facility, subject to the provisions of the Development Agreements. In the event of such termination, the City agrees to surrender immediately possession of the Leased Premises, without let or hindrance, and to pay the Authority all damages recoverable at law that the Authority may incur by reason of default by the City, including, without limitation, any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon the Leased Premises and removal or storage of such property by the Authority or its duly authorized agents in accordance with the provisions herein contained. Neither notice to pay rent or to deliver up possession of the Leased Premises given pursuant to law nor any entry or re-entry by the Authority nor any proceeding in unlawful detainer, or otherwise, brought by the Authority for the purpose of effecting such re-entry or obtaining possession of the Leased Premises nor the appointment of a receiver upon initiative of the Authority to protect the Authority's interest under this Lease, shall of itself operate to terminate this Lease, and no termination of this Lease on account of default by the City shall be or become effective by operation of law or acts of the parties hereto, or otherwise, unless and until the Authority shall have given written notice to the City and the Commission of the election on the part of the Authority to terminate this Lease. The City covenants and agrees that no surrender of the Leased Premises or of the remainder of the term hereof or any termination of this Lease shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Authority by such written notice.

(2) Without terminating this Lease, (i) to collect each installment of rent as it becomes due and enforce any other term or provision hereof to be kept or performed by the City or (ii) to exercise any and all rights of entry and re-entry upon the Leased Premises as hereinafter provided. In the event the Authority does not elect to terminate this Lease in the manner provided for in subparagraph (1) hereof, the City shall remain liable and agrees to keep or perform all covenants and conditions herein contained to be kept or performed by the City and, if the Leased Premises are not re-let, to pay the full amount of the rent annually to the end of the term of this Lease or, in the event that the Leased Premises are re-let, to pay any deficiency in rent that results therefrom; and further agrees to pay said rent and/or rent deficiency punctually at the same time and in the same manner as hereinabove provided for the payment of rent hereunder (without

acceleration), notwithstanding the fact that the Authority may have received in previous years or may receive thereafter in subsequent years rental in excess of the rental herein specified and notwithstanding any entry or re-entry by the Authority or suit in unlawful detainer, or otherwise, brought by the Authority for the purpose of effecting such re-entry or obtaining possession of the Leased Premises. Should the Authority elect to re-enter as herein provided, the City hereby irrevocably appoints the Authority as the agent and attorney-in-fact of the City to re-let the Leased Premises, or any part thereof, from time to time, either in the Authority's name or otherwise, for use as a public off-street vehicular parking facility upon such terms and conditions and for such period as the Authority may deem advisable and, subject to the provisions of the Development Agreements, to remove all persons in possession thereof and all personal property wheresoever situated in and upon the Leased Premises and to place such personal property in storage in any warehouse or other suitable place in the County of Los Angeles, State of California, for the account of and at the expense of the City, and the City hereby exempts and agrees to save harmless the Authority from any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon and re-letting of the Leased Premises and removal and storage of such property by the Authority or its duly authorized agents in accordance with the provisions herein contained; provided, however, that any such re-entry upon and re-letting of the Leased Premises shall be subject to the provisions of the Development Agreements. The City agrees that the terms of this Lease constitute full and sufficient notice of the right of the Authority to re-let the Leased Premises as herein provided in the event of such re-entry without effecting a surrender of this Lease, and further agrees that no acts of the Authority in effecting such re-letting shall constitute a surrender or termination of this Lease irrespective of the use or the term for which such re-letting is made or the terms and conditions of such re-letting, or otherwise, but that, on the contrary, in the event of such default by the City the right to terminate this Lease shall vest in the Authority to be effected in the sole and exclusive manner provided for in subparagraph (1) hereof. The City further waives the right to any rental obtained by the Authority in excess of the rental herein specified and hereby conveys and releases such excess to the Authority as compensation to the Authority for its services in re-letting the Leased Premises or any part thereof. The City further agrees to pay the Authority the cost of any alterations or additions to the Leased Premises or any part thereof necessary to place the Leased Premises or any part thereof in condition for re-letting immediately upon notice to the City of the completion and installation of such additions or alterations.

The City hereby waives any and all claims for damages caused or which may be caused by the Authority in re-entering and taking possession of the Leased Premises as herein provided and all claims for damages that may result from the destruction of or injury to the Leased Premises and all claims for damages to or loss of any property belonging to the City, or any other person, that may be in or upon the Leased Premises.

Each and all of the remedies given to the Authority hereunder or by any law now or hereafter enacted are cumulative and the exercise of one right or remedy shall not impair the right of the Authority to any or all other remedies, provided, however, that the Leased Premises continue to be operated and maintained as a public off-street vehicular parking facility, subject to the provisions of the Development Agreements.. The term "re-let" or "re-letting" as used in this

section shall include, but not be limited to, re-letting by means of the operation of the Leased Premises by the Authority. If any statute or rule of law validly shall limit the remedies given to the Authority hereunder, the Authority nevertheless shall be entitled to whatever remedies are allowable under any statute or rule of law.

In the event the Authority shall prevail in any action brought to enforce any of the terms and provisions of this Lease, the City agrees to pay a reasonable amount as and for attorney's fees incurred by the Authority to enforce any of the remedies available to the Authority hereunder, whether or not a lawsuit has been filed and whether or not any lawsuit culminates in a judgment.

(b) If (1) the City's interest in this Lease or any part thereof be assigned or transferred without the written consent of the Authority, either voluntarily or by operation of law or otherwise, or if (2) any proceeding under the United States Bankruptcy Code or any federal or state bankruptcy, insolvency or similar law or any law providing for the appointment of a receiver, liquidator, trustee or similar official of the City or of all or substantially all of its assets is instituted by or with the consent of the City, or is instituted without its consent and is not permanently stayed or dismissed within sixty days, or if the City offers to the City's creditors to effect a composition or extension of time to pay the City's debts, or asks, seeks or prays for a reorganization or to effect a plan of reorganization or for readjustment of the City's debts, or if the City shall make a general assignment or any assignment for the benefit of the City's creditors, or if (3) the City shall abandon or vacate any part of the Leased Premises, then the City shall be deemed to be in default hereunder.

Section 8.02. Waiver. Failure of the Authority to take advantage of any default on the part of the City shall not be, or be construed as, a waiver thereof, nor shall any custom or practice which may grow up between the parties in the course of administering this instrument be construed to waive or to lessen the right of the Authority to insist upon performance by the City of any term, covenant or condition hereof, or to exercise any rights given to the Authority on account of such default. A waiver of a particular default shall not be deemed to be a waiver of the same or any subsequent default. The acceptance of rent hereunder shall not be, or be construed to be, a waiver of any term, covenant or condition of this Lease.

ARTICLE IX

PREPAYMENT OF LEASE PAYMENTS

Section 9.01. Security Deposit. Notwithstanding any other provision of this Lease, the City may, on any date, secure the payment of Lease Payments by a deposit by it with the Trustee of cash or securities as provided in Section 14.03 of the Trust Agreement. In such event, all obligations of the City under this Lease, and all security provided by this Lease for said obligations, shall cease and terminate, excepting only the obligation of the City to make, or cause to be made, Lease Payments from such deposit. On the date of said deposit title to the Leased Premises shall vest in the Commission automatically and without further action by the City, the Commission or the Authority (except as provided herein); provided that title shall be subject to the subsequent payment of Lease Payments made from said deposit in accordance with the

provisions hereof. Said deposit shall be deemed to be and shall constitute a special fund for the payment of Lease Payments in accordance with the provisions of this Lease.

Section 9.02. Extraordinary Prepayment From Net Proceeds. The City shall be obligated to prepay the Lease Payments in whole or in part on any Business Day, from and to the extent of any Net Proceeds theretofore deposited in the Optional Redemption Account pursuant to Section 6.04 of the Trust Agreement.

Section 9.03. Optional Prepayment. Subject to the terms and conditions of Section 3.01(A) of the Trust Agreement, the Authority hereby grants an option to the City to prepay the Lease Payments, in whole or in part, of the corresponding amount of the principal amount of the Bonds on the dates and at the redemption prices provided therein. The City shall execute said option by giving written notice to the Trustee thereof at least 45 days prior to the date of redemption and depositing with said notice cash, plus (1) accrued interest and redemption premium, if any, on the principal amount of Bonds to be prepaid to the date of redemption, and (2) any Lease Payments then due but unpaid.

Section 9.04. Sinking Fund Redemption. The City and the Authority acknowledge that the Bonds are subject to mandatory redemption from Lease Payments on the dates, at the terms and in the amounts provided in Section 3.01(B) of the Trust Agreement.

Section 9.05. Credit for Amounts on Deposit. In the event of prepayment of the Lease Payments in full under this Article and the payment of all Additional Payments such that the Trust Agreement shall be discharged by its terms as a result of such prepayment, all amounts then on deposit in the Bond Fund and the Reserve Fund shall be credited toward the amounts then required to be so prepaid.

Section 9.06. Effect of Prepayment.

(a) In Whole. In the event that the City prepays all remaining Lease Payments pursuant to this Article and pays all Additional Payments pursuant to Section 4.10, then the City's obligations under this Lease shall thereupon cease and terminate, including but not limited to the City's obligation to continue to pay Lease Payments under this Article.

(b) In Part. In the event that the City prepays less than all of the remaining principal components of the Lease Payments pursuant to this Article, the amount of such prepayment shall be applied to reduce the principal components of the remaining Lease Payments, corresponding to the resulting prepayment of principal with respect to the Bonds pursuant to Article IV of the Trust Agreement.

Section 9.07. Notice of Prepayment.

Before making any prepayment pursuant to this Article, the City shall, within five (5) days following the event creating such right or obligation to prepay, give written notice to the Authority and the Trustee describing such event and specifying the principal amount of the Lease Payments to be prepaid and the date on which the prepayment will be made, which date shall be not less than sixty (60) days from the date such notice is given.