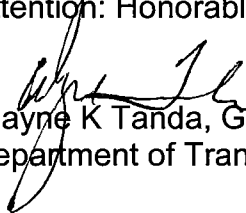


CITY OF LOS ANGELES
INTRA-DEPARTMENTAL CORRESPONDENCE

DATE: September 6, 2005

TO: The Honorable City Council
c/o City Clerk, Room 395, City Hall
Attention: Honorable Wendy Greuel, Transportation Committee

FROM: 
Wayne K Tanda, General Manager
Department of Transportation

SUBJECT: **REPORT ON 636 MAPLE AVENUE INTER-MODAL PARKING
STRUCTURE (CF 03-1223; 02-0029)**

CD 9

This report is provided to the Transportation Committee to advise of the Department of Transportation's (DOT) joint request with the Chief Legislative Analyst (CLA) and Community Development Department (CDD) to enter into negotiations with the Developer, MJW Investments, and the Metropolitan Transportation Authority (MTA) to finalize the financing for the 636 Maple Avenue Inter-Modal Parking Structure.

RECOMMENDATION

The Department recommends that the Transportation Committee:

CONCUR with the recommendations of the Board of Transportation Commissioners, with specified modifications, to: (a) APPROVE and AUTHORIZE DOT to enter into a Parking Licensing Agreement with the Developer, MJW Investments, to lease 140 parking spaces in the 636 Maple Avenue Inter-Modal Parking Structure for 30 years; and (b) APPROVE and AUTHORIZE DOT to use monies from the Special Parking Revenue Fund to make annual lease payments for 20 years to the Developer for the use of the 140 parking spaces over 30 years as described in the Parking Licensing Agreement.

DISCUSSION

The encouragement of mixed-use development is an adopted City Policy contained in the City's General Plan. Such development and/or redevelopment of neighborhoods promotes comprehensive revitalization through the retention or addition of housing, services, jobs and schools. Additionally, the City General Plan Framework encourages development in designated commercial centers so that these centers can serve as focal points for activity and investment in communities. One designated commercial center, recently approved by City Council, for future mixed-use redevelopment is the Fashion District in downtown Los Angeles.

In 2002, City Council approved the Santee Court Multi-Family Conversion Project for the

future mixed-use redevelopment in the Fashion District and authorized the CLA, CDD, CRA and other impacted departments to work with the Developer, MJW Investments, toward that end (C.F. 02-0029). The Santee Court Mixed-use Development Project (SCP), as the project is now known, is a multi-phased redevelopment effort that involves the adaptive re-use of nine buildings and will ultimately provide 460 market rate housing units, 118 affordable units, more than 200,000 square feet of commercial and retail space including pedestrian enhancements and public gathering spaces, and a seven-story public parking garage. The proposed 636 Maple Avenue Inter-Modal Parking structure will be built on MTA-owned land and will provide 420 parking spaces for the tenants of Santee Court and the patrons of the Fashion District and a staging area for MTA buses. The Santee Court Project has been financed primarily from private funding. However, the parking structure component was proposed for public funding.

In 2003, the City Council approved \$12.7 million in public funding to finance the construction of the 636 Maple Avenue Inter-Modal Parking Structure, including \$7.1 million in Empowerment Zone bond funds, \$1.5 million from Urban Development Action Grant (UDAG) funds, \$3 million from the Special Parking Revenue Fund, and \$1.1 million from the U.S. Small Business Administration – approved and secured by U.S. Congresswoman Lucille Roybal-Allard (C.F. 03-1223).

DOT has been working closely with CLA, CDD, City Attorney, Bond Counsel and the Developer to complete the Parking Licensing Agreement, which details the future parking operations of the 636 Maple Avenue Inter-Modal Parking Structure and the responsibilities of the Licensor/Developer and Licensee/City. The City will not own the parking structure. However, the City/DOT will be provided access to the parking structure for use by the public for 30 years under the terms of the Parking Licensing Agreement. The City/DOT will pay an annual lease payment from the Special Parking Revenue Fund to the Developer for 20 years in exchange for controlled access of 140 parking spaces during specified public parking hours over the 30-year term of the Agreement. In addition, the Developer will hire a Parking Operator to oversee day-to-day operations, subject to approval by the City/DOT. All revenue generated from the tenants and public will go into a separate (to be established) Maple Avenue Trust Fund from which operating expenses, debt service, reimbursements to the City, and related costs would be paid. The remaining net revenue would be shared equally between the City/DOT and the Developer.

DOT staff presented a report with the draft Parking Licensing Agreement and preliminary revenue/expense projections to the Board of Transportation Commissioners in August 2004 for their consideration and approval. The Board withheld approval at that time and requested additional information and clarification from staff. Later in October 2004, DOT staff presented a revised report, Parking Licensing Agreement and revenue/expense projections to the Board. The Board approved DOT staff's recommendations with modifications calling for further technical changes in the Parking Licensing Agreement and the inclusion of a final 3rd-party consultant report evidencing the economic viability of the 636 Maple Avenue Inter-Modal Parking Structure. The approved Board report and referenced documents are attached.

FISCAL IMPACT

There is no impact to the General Fund. There will be a long-term impact to the Special

Parking Revenue Fund (SPRF). Due to rising construction costs and the extended time required to finalize the Agreement and related actions, full project costs increased \$8.3 million, from \$12.7 million to \$21 million. The total development cost component rose \$4.1 million, from \$9.7 million to \$13.8 million and resulted in higher Empowerment Zone bond financing (from \$7.1 million to \$10.2 million). The SPRF component rose \$4.2 million, from \$3 million to \$7.2 million. To mitigate impact to the SPRF during the Parking Licensing Agreement's term, annual lease payments of \$360,000 are proposed over 20 years of the 30-year term. The lease payments coincide with the 20-year debt service on the Empowerment Zone Bonds and assure partial coverage of annual debt service payments over 20 years of the 30-year term.

It is anticipated that the SPRF will be fully reimbursed its investment of \$7.2 million and will earn an additional \$3.2 million by the end of the 30-year term. The revenue projections are supported by a parking study prepared by Walker Parking Consultants which analyzed parking patterns in the area. Further, the revenue projections were approved by Bond Counsel and incorporated in the final bond documents.

COORDINATION

Council designated the CLA as the lead negotiator and City agency for the Santee Court Mixed-use Development Project, and instructed the CLA – with assistance from CDD, DOT and other impacted City Departments – to enter into negotiations with MJW Investments and the MTA to finalize the financing for the 636 Maple Avenue Inter-Modal Parking Structure. CLA has been working with DOT to resolve the SPRF component of the City's total public financing of the parking structure. DOT is also working with the CLA and the City Attorney's Office on the form and substance of the Parking Licensing Agreement.

In addition, CDD has obtained the requisite approvals from their governing Boards and are in the process of preparing a transmittal to the Housing, Community and Economic Development Committee (HCED) for consideration and approval of Block Grant funding of the 636 Maple Avenue Inter-Modal Parking Structure.

CLA will present a comprehensive report to the Transportation and Housing, Community and Economic Development Committees, and to the Mayor and City Council describing the full scope, financing, and construction timetable and estimated completion of the 636 Maple Avenue Inter-Modal Parking Structure Project.

Attachments

ADR/RFW/rfw

I:\OSP\OPERATIO\REPORTS\636 Maple Ave Report to T-Committee.doc

DRAFT August 12, 2005

~~DRAFT March 30, 2005~~

DRAFT

PARKING LICENSE AGREEMENT

DRAFT

by and between

636 MAPLE AVENUE INTERMODAL PARKING STRUCTURE, LLC,
as Licensor

and

CITY OF LOS ANGELES,
as Licensee

Dated as of _____ September _____, 2005

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PARKING LICENSE AGREEMENT

~~This~~**THIS PARKING LICENSE AGREEMENT** (this "Agreement") is made and entered into as of ~~_____~~September, 2005, by and between **636 MAPLE AVENUE INTERMODAL PARKING STRUCTURE, LLC**, a California limited liability company (with its successors and assigns, hereinafter referred to as "Licensor") and the **CITY OF LOS ANGELES**, a municipal corporation and charter city of the State of California (with its successors and assigns, hereinafter referred to as "Licensee," and together with Licensor, the "Parties") (capitalized terms not otherwise defined herein shall have the meanings set forth in Exhibit A of this Agreement).

RECITALS

WITNESSETH:

WHEREAS, Licensor has entered into a Ground Lease, dated as of _____, 2005 (the "Ground Lease"), with the Los Angeles County Metropolitan Transportation Authority (the "MTA") with respect to that certain real property located in the City of Los Angeles, California more particularly described in Exhibit B attached hereto (the "Site"); and

~~_____~~WHEREAS, Licensor has entered into a Development Agreement, dated as of _____, June 17, 2005 (the "Development Agreement"), with the MTA pursuant to which Licensor has agreed to construct on the Site a multi-level commercial parking facility (the "Parking Facility") consisting of ~~ten~~10-bus staging spaces on the first floor of the Parking Facility and approximately 420 parking spaces on floors two through seven of the Parking Facility (the "Parking Spaces"); and

WHEREAS, pursuant to the Development Agreement and the Ground Lease, the MTA will retain the exclusive right to use the first floor of the Parking Facility for bus staging subject to the conditions contained in this Agreement (the "MTA Component"); and

WHEREAS, Licensee desires to provide additional off-~~street~~ public parking in and around the Parking Facility to better serve local businesses and promote economic development in the City of Los Angeles (the "City") and has agreed to assist Licensor in the development and operation of the Parking Facility in return for a license allowing the general public to use not less than ~~one hundred forty~~ (140) Parking Spaces in the Parking Facility in accordance with the terms of this Agreement; and

WHEREAS, Licensor desires to grant to Licensee an irrevocable license with an interest (the "License") to use not less than ~~one hundred forty~~ (140) unassigned Parking Spaces in the Parking Facility (the "Public Parking Spaces") for use by the general public, upon the terms and conditions set forth in this Agreement; and

WHEREAS, in exchange for the License, Licensee has agreed to make a ~~payment~~payments to Licensor from the City's Special Parking Revenue Fund, established pursuant to Section 5.117 of the Administrative Code of the City (the "Special Parking Revenue Fund"), in accordance with the terms and provisions set forth herein; and

WHEREAS, the expenditure of moneys in the Special Parking Revenue Fund is subject to the approval of the City's Board of Transportation Commissioners;

NOW, THEREFORE, for and in consideration of the foregoing, the promises and mutual covenants set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

Section 1. –Representations, Covenants and Warranties of Licensee. Licensee represents, covenants and warrants to Licensor as follows:

(a) ***Due Organization and Existence.*** Licensee is a municipal corporation and charter city of the State, duly organized and validly operating as such under the Constitution and laws of the State.

(b) ***Authorization, Enforceability.*** The ~~Constitution~~constitution and laws of the State authorize Licensee to enter into this Agreement and to enter into the transactions contemplated by and to carry out its obligations under this Agreement, and Licensee has duly authorized the execution and delivery of this Agreement. This Agreement constitutes a legal, valid and binding obligation of Licensee, enforceable in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles affecting the rights of creditors generally.

(c) ***No Violations.*** None of the execution and delivery of this Agreement, the fulfillment of or compliance with the terms and conditions hereof, or the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which Licensee is now a party or by which Licensee is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any prohibited lien, charge or encumbrance whatsoever upon any of the property or assets of Licensee.

(d) ***Execution and Delivery.*** Licensee has taken all actions required to authorize and execute this Agreement in accordance with its Charter, the ~~Constitution~~constitution and laws of the State and all acts, conditions and things required by its Charter, the Constitution and statutes of the State to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery by Licensee of this Agreement, do exist, have happened and have been performed in due time, form and manner as required by law.

Section 2. –Representation, Covenants and Warranties of Licensor. Licensor represents, covenants and warrants to Licensee as follows:

(a) ***Due Organization and Existence; Authorization, Enforceability.*** Licensor is a limited liability company duly organized, existing and in good standing under and by virtue of the laws of the State, and has the full power to enter into this Agreement and to enter into the transactions contemplated by and to carry out its obligations under this Agreement; is possessed of full power to own and hold real and personal property, and to license the same; and Licensor has duly authorized the

execution and delivery of this Agreement. This Agreement constitutes a legal, valid and binding obligation of Licensor, enforceable in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles affecting the rights of creditors generally.

(b) **No Violations.** None of the execution and delivery of this Agreement, the fulfillment of or compliance with the terms and conditions hereof, or the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions or provisions of the Articles of Incorporation or Bylaws of Licensor or provisions of any restriction or any agreement or instrument to which Licensor is now a party or by which Licensor is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any prohibited lien, charge or encumbrance whatsoever upon any of the property or assets of Licensor.

(c) **Execution and Delivery.** Licensor has taken all actions required to authorize and execute this Agreement in accordance with the Operating Agreement of Licensor and laws of the State and all acts, conditions and things required by the Operating Agreement of Licensor and laws of the State to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery by Licensor of this Agreement, do exist, have happened and have been performed in due time, form and manner as required by the Operating Agreement of Licensor and by law.

Section 3. –Public Parking Spaces. Upon and subject to the terms and conditions contained herein, Licensor hereby grants, transfers and conveys to Licensee, the License, and Licensee hereby takes and accepts from Licensor, the License. Licensor shall make available to the general public the Public Parking Spaces on a first–come, first–served basis during the hours of 9:00 a.m. and 5:00 p.m., Monday through Saturday of each week during the Term of this Agreement (the “Public Parking Hours”). All Public Parking Spaces shall be unreserved as to the general public. To the extent that utilization of the Parking Facility by the Residential Development Tenants and invitees and guests of the Residential Development Tenants on a monthly basis results in unavailability of the Public Parking Spaces for use by the general public during the Public Parking Hours, Licensor shall, within ~~twenty-four~~ (24) hours of receipt of oral ~~onsite~~on-site notification, subsequently confirmed in writing, from Licensee that such unavailability exists, take immediate action to rescind the monthly pass parking privileges of such number of the Residential Development Tenants and invitees and guests of the Residential Development Tenants to ensure the availability of the Public Parking Spaces during the Public Parking Hours. Licensee and the general public are hereby granted full rights of ingress and egress to the Parking Facility for the purpose of utilizing the Public Parking Spaces during the Public Parking Hours.

Section 4. –Term. The term of this Agreement (the “Term”) shall commence following the (a) receipt by Licensor of a certificate of occupancy from the City for the Parking Facility; and (b) date the Parking Facility is continuously open for public parking (the “Commencement Date”) and shall continue for a period of ~~thirty~~ (30) years from the Commencement Date, at which time this Agreement shall terminate and be of no further force and effect (the “Termination Date”); provided, however, that the Termination Date shall be automatically

extended until such date as Licensee has been fully reimbursed for all Licensee Fees paid under this Agreement pursuant to Section 8, as provided in Section 13(b)(viii)(B), and Licensor has repaid the BGIF Loan in its entirety pursuant to Section 13(b)(vii)(B). On the Commencement Date, Licensee shall deliver to Licensor and the Trustee a Certificate of Acceptance.

Section 5. –Parking Facility Construction. Licensor has retained the Design/Builder to undertake the design and construction of the Parking Facility.

(a) ***Conceptual Drawings and Plan Specifications.*** Licensor has submitted, or caused to be submitted by the Design/Builder, to Licensee a set of conceptual design plans (the “Conceptual Drawings and Outline Specifications”) for the Parking Facility. Licensee has reviewed and approved the Conceptual Drawings and Outline Specifications for the Parking Facility for purposes of this Agreement. Licensee’s review and approval of the Conceptual Drawings and Outline Specifications is solely for the purpose of ensuring that the Parking Facility achieves Licensee’s objective of making available the Public Parking Spaces to the general public and shall in no way be construed to imply that Licensee has determined that such drawings are accurate, adequate or complete or, that such drawings satisfy the City’s requirements for the design and construction of the Parking Facility. All such regulatory approvals must be obtained from the City’s Department of Building and Safety and any other City department responsible for such approvals, including the City’s Planning Department.

(b) ***Schematic Design Drawings.*** Licensor has submitted, or caused to be submitted by the Design/Builder, to Licensee a set of schematic design drawings (the “Schematic Drawings”) for the Parking Facility. Licensee has reviewed and approved the Schematic Drawings for the Parking Facility for purposes of this Agreement. Licensee’s review and approval of each of the Schematic Drawings is solely for the purpose of ensuring that the Parking Facility achieves Licensee’s objective of making available the Public Parking Spaces to the general public and shall in no way be construed to imply that Licensee has determined that such drawings are accurate, adequate or complete or, that such drawings satisfy the City’s requirements for the design and construction of the Parking Facility. All such regulatory approvals must be obtained from the City’s Department of Building and Safety.

(c) ***Design Development Drawings.*** Licensee has submitted, or caused to be submitted by the Design/Builder, to Licensee a set of design development drawings for the Parking Facility (the “Design Development Drawings”). Licensee has reviewed and approved the Design Development Drawings for the Parking Facility for purposes of this Agreement. Licensee’s review and approval of each of the Design Development Drawings is solely for the purpose of ensuring that the Parking Facility achieves Licensee’s objective of making available the Public Parking Spaces to the general public and shall in no way be construed to imply that Licensee has determined that such drawings are accurate, adequate or complete or, that such drawings satisfy the City’s requirements for the design and construction of the Parking Facility. All such regulatory approvals must be obtained from the City’s Department of Building and Safety.

(d) **Working Drawings.** Within _____ days of the issuance of the Bonds by the Authority, Licensor shall cause the Design/Builder to (a~~i~~) prepare detailed working drawings and specifications for the Parking Facility (the "Working Drawings"), and (b~~ii~~) deliver such Working Drawings to Licensee for review by the Licensee. Said Working Drawings shall be prepared in strict accordance with the approved Conceptual Drawings and Outline Specifications, the approved Schematic Drawings and the approved Design Development Drawings. Licensee shall notify Licensor in writing of any comments it has with respect to the Working Drawings within ~~fourteen~~-(14) days of the receipt of the Working Drawings; provided, however, that such written comments shall not be inconsistent with the approved Conceptual Drawings and Outline Specifications, the approved Schematic Drawings and the approved Design Development Drawings; and provided further that, such comments shall not be deemed to supplant the required approval of such Working Drawings by the City's Department of Building and Safety. In the event Licensor objects to Licensee's comments, Licensor shall notify Licensee of such objections in writing within seven (7)-days of the receipt of such written comments. Licensor and Licensee shall meet within five (5)-days of the delivery of Licensor's written objections to resolve the conflict by negotiation. If Licensor and Licensee are unable to negotiate a resolution to any dispute concerning Licensee's written comments within ~~ten~~-(10) days of the delivery of Licensor's written objections, Licensee and Licensor shall submit the dispute to mediation pursuant to Section 31. In the absence of any dispute with respect to Licensee's written comments or upon the settlement of any dispute with respect to Licensee's written comments, Licensor shall cause the Design/Builder to effect such revisions and deliver revised Working Drawings to Licensee within ~~fourteen~~-(14) days of the receipt of the written comments from Licensee or the conclusion of the dispute. Licensee shall provide written notice to Licensor of its approval of the revised Working Drawings no later than ~~ten~~-(10) days following the receipt of the revised Working Drawings. Licensor and Licensee hereby agree that Licensee's failure to deliver written notice of its approval of the revised Working Drawings within the time provided in this Agreement shall be deemed approval by Licensee of the Working Drawings. Licensee's approval or deemed approval of the Working Drawings for purpose of this Agreement shall not constitute approval of the Working Drawings by the City Department of Building and Safety. Once the Working Drawings are approved or deemed approved, the Working Drawings shall be the controlling document as to any inconsistency between the Working Drawings and the Design Development Drawings, the Schematic Drawings and the Conceptual Drawings and Outline Specifications.

(e) **Approval by Licensee.** All approvals by Licensee required pursuant to this Section 5 shall be given by the City Architect or a duly authorized employee of Licensee designated in writing by the City Architect.

(f) **Compliance ~~with~~With Other Agreements.** Notwithstanding anything herein to the contrary, Licensor shall comply with the terms and provisions of the GrantCDBG/UDAG Agreement and the BGIF Loan Agreements in all aspects of the Project.

(g) **Compliance ~~with~~ With Law.** The construction of the Parking Facility shall be in compliance with each Requirement of Law. In particular, the Parking Facility shall contain the applicable number of compact and regular parking spaces and include the requisite number of handicapped spaces in accordance with all Requirements of Law.

Section 6. –Use. The Parking Facility shall be operated as a public parking facility. The Public Parking Spaces shall be used solely for the purpose of parking general public paratransit vehicles, motorcycles, paratransit vehicles, passenger vehicles (except housecars), pickup trucks, station wagons and vanpool vehicles, as all are defined in the California Vehicle Code, and any other vehicles required by law (collectively, the “Permitted Vehicles”). Licensee shall not use the Public Parking Spaces for any other purposes without the prior written consent of Licensor, which consent shall not be unreasonably withheld. Licensee shall comply with all laws, ordinances, rules, and regulations pertaining to Licensee’s use of the Public Parking Spaces. This Agreement is not intended as, and shall not be construed to be, a permanent dedication to the public for use of the Public Parking Spaces.

Section 7. –Entry Location. Licensee shall have the right to monitor the number of Parking Spaces actually being used as Public Parking Spaces from time to time, and Licensee reserves the right, but has no obligation, to implement a system to monitor entrance into the Parking Facility and the location of the Permitted Vehicles parked therein. Licensor agrees to cooperate with Licensee in monitoring the entrance and location of the Permitted Vehicles in the Parking Facility to ensure Licensor’s compliance with the terms hereof.

Section 8. –License Fees. Subject to the provisions of Section 9 below relating to the abatement of the License Fees due hereunder, commencing on the Commencement Date and continuing for ~~twenty~~ (20) years thereafter, Licensee shall pay to Licensor, without prior notice, offset, deduction, claim, invoice or demand, the License Fees for the use of the Public Parking Spaces, which License Fees shall be due and payable to Licensor on the first day of each month while the Bonds are outstanding. No License Fees or other compensation shall be due for the final ~~ten~~ (10) years of the Term and any extension of the Term pursuant to Section 4 and Licensee shall continue to have and to hold the License granted pursuant to this Agreement. The License Fees shall not be deemed delinquent and Licensee shall not be in default hereunder so long as the License Fees are paid by the fifth (5th) day of the month in which such License Fees is due. If the Commencement Date occurs on a date other than the first day of a month, Licensee agrees to pay Licensor on the Commencement Date License Fees prorated based on the number of days remaining in the month in which the Commencement Date occurs. If any date on which the License Fees are due under this Agreement is not a Business Day, such payment shall be due on the next succeeding Business Day. Licensee and Licensor hereby agree that Licensee shall remit all License Fees directly to the Trustee.

In the event that, with the prior written consent of Licensee, the Bonds are refunded to achieve savings in the interest paid on the Bonds, the ~~amount of License Fees due hereunder shall be adjusted to an amount equal to 1/24th of the principal and 1/12th of the interest coming due on the next succeeding principal and interest payment dates with respect to the refunding bonds~~ reduced on and after such refunded bonds are issued by an amount to be determined by the Licensor and the Licensee; provided, however, unless otherwise specifically agreed to by Licensee, Licensee’s obligation to pay the License Fees shall not be modified or extended.

Licensee's obligation to pay the License Fees shall be a special limited obligation of Licensee payable solely from Parking Revenues, (as defined in the Master Indenture), on deposit in the Special Parking Revenue Fund. Licensee's obligation to pay the License Fees from Parking Revenues pursuant to this Agreement shall be junior and subordinate to the lien on and security interest in the Parking Revenues and other assets of the Special Parking Revenue Fund granted to secure the Parking Revenue Bonds issued pursuant to the Master Indenture.

Section 9. –Abatement. Following an Abatement Event, Licensor shall, subject to the following sentence, diligently proceed to repair or replace the Public Parking Spaces to as nearly as possible the condition existing prior to the happening of the casualty. To the extent an Abatement Event causes all of the Public Parking Spaces to be rendered unusable, all License Fees shall cease as of the date of the Abatement Event and no further License Fees shall accrue until all of the Public Parking Spaces are again available for use by the general public; provided, however, that to the extent that some of the Public Parking Spaces are subsequently restored to useable condition and are available for use by the general public, Licensee shall pay the License Fees with respect to such restored and available Public Parking Spaces in the Parking Facility. In the event that only a portion of the Public Parking Spaces is rendered unavailable, Licensee shall be entitled to a Proportionate Abatement of the License Fees due under this Agreement. Licensor and Licensee hereby agree that the determination of whether all or any portion of the Public Parking Spaces are available for the use following an Abatement Event shall be made by the Department of Building and Safety of the City of Los Angeles or such other department or agency of the City of Los Angeles responsible for determining availability for use of the Public Parking Spaces in a manner similar to that which is employed in determining whether similar public structures are available for use and evidenced by the issuance or continuing validity of a certificate of occupancy for the Parking Facility, which determination shall be binding upon the parties hereto. In the event the City of Los Angeles or its departments and agencies are unable to make a determination of the availability of the Public Parking Spaces for use within ~~thirty~~ (30) days after the filing of a request for such determination by Licensor or Licensee, any other public agency with building code enforcement capability with respect to the Parking Facility may make such a determination, which determination shall be binding upon the parties hereto. Licensor shall apply for all necessary permits and commence the repair and restoration of the Public Parking Spaces within 120 days of the Abatement Event; provided, however, that such period shall be extended if Licensor is prevented from commencing the repair and restoration of the Public Parking Spaces as a result of a force majeure event as provided in Section 46. Commencement of the repair and restoration shall require (a) notification of the appropriate insurance company (or companies), and (b) the placing of the necessary work order(s) and/or contract(s) for obtaining the labor and materials to accomplish the repair and restoration. Licensor will be responsible for securing the area to prevent injury to persons and/or vandalism to the Public Parking Spaces; the actual costs for said activities shall be reimbursed to Licensor from any insurance proceeds permitted to be so expended. If Licensor should fail thereafter to pursue said repair and restoration work with reasonable diligence to completion, Licensee may give Licensor ~~thirty~~ (30) days' prior written notice and thereafter perform or cause to be performed the restoration work and require the Trustee to reimburse the cost thereof in excess of the insurance proceeds used for such repair and restoration from the Operating Reserve Fund and the Maple Avenue Parking Fund.

—In the event Licensor commences the repair and restoration, any proceeds of insurance deposited with Licensee or the Trustee shall be paid out to Licensor or its contractor in accordance with the progress of the repair and restoration. Any insurance proceeds in excess of the amount required to restore the Parking Facility and the Public Parking Spaces to a useable condition shall be deposited into the Operating Reserve Fund and applied in accordance with the provisions governing such Operating Reserve Fund. In the event Licensor refuses to commence the repair and restoration of the Parking Facility and the Public Parking Spaces and Licensee elects not to undertake such repair and restoration of the Parking Facility and the Public Parking Spaces, then any proceeds of insurance deposited with the Trustee or Licensee shall be applied to the prepayment of the outstanding Bonds and the Licensee shall be entitled to an Abatement of the License Fees due under this Agreement depending on the Public Parking Spaces available after such prepayment.

Section 10. –Management and Operation of Parking Facility. Except as otherwise provided in this Agreement, Licensor shall be solely responsible for the management and operation of the Parking Facility and shall make all necessary repairs and improvements to the Parking Facility in a timely manner. With the written consent of Licensee, which consent shall not be unreasonably withheld or delayed, and subject to the requirements contained in the Bond Documents, Licensor may appoint a Parking Facility Manager to undertake the operation and maintenance of the Parking Facility. Licensor and Licensee hereby agree that Licensee’s failure to deliver written notice of its approval or disapproval of the Parking Facility Manager to Licensor within ~~fourteen~~ (14) days of notification by Licensor shall be deemed approval by Licensee of the proposed Parking Facility Manager. All costs incurred in the management and operation of the Parking Facility, including performance of the maintenance services set forth in Section 11, shall be deemed Operating Costs.

(a) **Maintenance Standard.** The Parking Facility shall be operated and maintained by Licensor in a manner consistent with a safe and clean parking structure which upholds quality standards comparable to those used in other similarly situated parking structures in the City. Licensor shall be responsible for and perform all maintenance services set forth in Section 11 below.

(b) **Public Operating Hours.** Prior to the Commencement Date, Licensor shall establish and provide to Licensee, Public Operating Hours for the Parking Facility that include, at a minimum, the Public Parking Hours, 9:00 a.m. to 5:00 p.m., Monday through Saturday. Licensor may modify the Public Operating Hours of the Parking Facility without the approval of Licensee so long as such modified Public Operating Hours include the Public Parking Hours. ~~Licensor shall provide Licensee with written notification of its intent to reduce the Public Operating Hours of the Parking Facility at least ten (10) days prior to the effective date of such reduction, whether such reduction is in the total Public Operating Hours per week or the Public Operating Hours during any day during the week.~~ Licensor shall not implement any reduction in the Public Operating Hours without the prior written approval of Licensee. Licensor and Licensee hereby agree to undertake a periodic review and evaluation of the public usage of the Parking Facility to determine if the Public Operating Hours should be changed, whether extended or reduced, with the objective of maximizing the profitability of the Parking Facility and consistent with the use of the Parking Facility by the Residential

~~Development~~Development Tenants. Based upon such review and evaluation, Licensor and Licensee shall renegotiate the Public Operating- Hours. Such revisions to the Public Operating Hours shall be agreed upon by Licensor and Licensee in writing prior to implementation. Licensor shall install signs in and around the Parking Facility indicating current hours of operation for the Public Parking Hours and the Public Operating Hours.

(c) **Staffing.** Prior to the Commencement Date, Licensor shall establish and provide to Licensee for its approval, which approval shall not be unreasonably withheld or delayed, staffing levels by position and time of day during the Public Operating Hours of the Parking Facility. Such staffing levels may be revised from time to time with the written consent of Licensee, which consent shall not be unreasonably withheld or delayed. At no time shall the Parking Facility be left unattended during the Public Operating Hours. Licensor must have a formal employee training program which includes cashier training, reporting procedures, lot maintenance and safety inspections, ticket transactions, professional conduct, customer service, dispute handling, emergency procedures, and safety and security measures.

(d) **Parking Rates.** No later than ~~ninety~~(90) days prior to the receipt of a certificate of occupancy by Licensor for the Parking Facility, Licensor shall establish and provide to Licensee for its approval, which approval shall not be unreasonably withheld or delayed, the parking rates to be charged for the Parking Facility. Such parking rates may be revised from time to time with the written consent of Licensee, which consent shall not be unreasonably withheld or delayed. In the event Licensor and Licensee disagree on the revised parking rates to be implemented, both parties agree to undergo the appeals process before the Board of Transportation Commissioners; provided, however, that such appeals process shall not in any way negate or modify Licensor's obligations set forth in the Loan Agreement with respect to parking rates charged at the Parking Facility. Licensor shall comply with Section 103.202 of the City of Los Angeles Municipal Code in the operation of the Parking Facility.

(e) **Parking Facility Manager.** To the extent Licensor elects to retain a Parking Facility Manager, the Parking Facility Manager shall undertake some or all the duties and obligations of the Licensor hereunder. Any duties or obligations not assumed by the Parking Facility Manager shall remain the duties and obligations of the Licensor.

(f) **Parking Facility Operations.** Licensor shall be responsible for overseeing all aspects of the parking operations, including supervising, planning, and scheduling all aspects of employee duties, hiring and dismissing of employees and conducting routine lot inspections. Licensor shall also oversee the removal of cash from the attendant booths and ensure that the Parking Facility is sufficiently staffed at all times. Licensor shall perform a written evaluation of each attendant's performance at least once during a twelve month period and other required supervisory duties.

Licensor shall be responsible for conducting daily inspections of the Parking Facility. The daily lot inspections should be documented in the form of a checklist or log and should be available to Licensee's staff upon request. These inspections shall include

but not be limited to lot maintenance, cleanliness, safety hazards, proper functioning of revenue control equipment, attendant performance, and cash and accounting audits.

(g) ***Patron Complaints.*** Licensor shall resolve any operational problems and/or public patron complaints and accurately report these problems and/or complaints to Licensee within ~~twenty-four~~ (24) hours and follow up with a written report within ~~ten~~ (10) days of the incident. Licensor shall maintain a written log of all public patron complaints, injuries and accidents, security problems, damage to the Parking Facility and equipment, and other unusual incidents occurring in the Parking Facility. Licensor shall note the dates and times, as well as the action taken or the reason for non-action. The log shall be available for inspection by Licensee's staff at all reasonable times.

(h) ***Long-term~~Term~~ Parking.*** Except for parking by the Residential Development Tenants, no storage of Permitted Vehicles or long-term parking in excess of ~~twenty-four~~ (24) hours shall be permitted in the Parking Facility.

(i) ***Special Events.*** Licensor shall not permit the Parking Facility to be used for any special event other than for regular fee parking to the extent that such special event will interfere with the availability of the Public Parking Spaces during the Public Parking Hours without the prior written consent of Licensee. Licensor shall notify Licensee in writing of the nature of any requests for use of the Parking Facility at least ~~ten~~ (10) days prior to the event.

(j) ***Licensor and Licensee Meetings.*** Licensor's staff shall be available to meet at least bi-monthly, or more frequently to the extent deemed necessary by Licensee, with Licensee's staff at the Office of Parking Management, ~~555 Ramirez Street in Space 315, 10th Floor, 100 South Main Street, MS725, Los Angeles, California 90012,~~ or at another mutually agreed upon site, at a mutually agreed upon time, to discuss all matters relating to the operation and management of the Parking Facility.

(k) ***Parking Access and Revenue Control Equipment.*** The Parking Facility shall be equipped with parking access and revenue control equipment approved by Licensee. The master parking computer shall be located in the parking management office of the Parking Facility and may, at the request of Licensee, be remotely linked to Licensee's Department of Transportation, Parking Facilities Division for audit purposes. Licensee shall have access to the revenue control equipment on site at all times during normal business hours and may conduct surprise field audits. Licensor shall provide monthly reports to Licensee, including, but not limited to, revenue and validation reports, occupancy counts and monitoring, and equipment functions. The revenue control equipment shall be operational at all times unless specific written permission has been obtained in advance from Licensee.

Licensor shall implement revenue control procedures which account for Permitted Vehicles parked in the Parking Facility, tickets issued and collected, and fees collected and deposited. Daily reports and logs, which contain the name of the parking attendants who open and close the Parking Facility, opening and closing ticket numbers, opening and closing car counts, time of opening and closing, time of change of shifts, and list of

overnight vehicles with amount due, shall be maintained for the Parking Facility. Daily inspections shall be conducted by Licensor, in addition to monthly reporting and complete audits.

———The parking access and revenue control equipment shall monitor the utilization of the Parking Facility on a daily basis by transient and monthly parkers. Licensor shall provide daily reports of such parking utilization to Licensee for the purpose of ensuring that the Public Parking Spaces are in fact available during the Public Parking Hours.

(l) ***Compliance ~~with~~With Bond Documents.*** Licensor shall ensure that it complies with the requirements and restrictions contained in the Bond Documents in the operation of the Parking Facility.

(m) ***Security.*** Licensor shall provide and maintain a security force, security equipment and other security measures as are required to keep all portions of the Parking Facility safe and free of crimes against persons and property in a manner at least equivalent to that observed and provided in other similarly situated parking structures in the City. Licensor and Licensee shall reasonably cooperate in good faith to maximize overall security for the Parking Facility, including, without limitation, adopting rules and regulations for the Parking Facility that are designed to maximize the overall security within the Parking Facility, consistent with other similarly situated parking structures in the City. Licensor's security force shall be responsible for the patrol of all areas of the Parking Facility. All security measures in the Parking Facility provided by Licensor shall be coordinated with the activities of the City's police department. Nothing herein is intended to diminish the right or authority of the City, in the exercise of its police powers (as opposed to its capacity as a party to this Agreement) to direct its respective police forces as it deems necessary in its sole discretion. All security costs shall be considered an item of Operating Costs for the Parking Facility.

Section 11. –Maintenance Services.

(a) ***Maintenance and Repair.*** Licensor shall maintain the Parking Facility in good order, condition and repair, consistent with that of a safe and clean parking structure which upholds quality standards comparable to those used in similarly situated parking structures in the City. Without limiting the generality of the above, the Parking Facility shall be power swept once every six months and steam cleaned once every year by a qualified vendor, or at more frequent intervals as may be required to maintain the Parking Facility in a safe and clean condition. Licensee shall also maintain the elevator, stairways and handrails in the Parking Facility in a clean and safe condition.

Licensee reserves the right, after reasonable notice and opportunity to cure, to clean the Parking Facility and/or perform repairs or necessary maintenance activities. The Trustee shall reimburse Licensee for the cost of these services from the Maple Avenue Parking Fund or, to the extent sufficient funds are not otherwise available in the Maple Avenue Parking Fund, from the Operating Reserve Fund.

(b) **Trash Removal.** Licensor shall remove all papers, debris, filth, refuse and surface waters as required. No garbage or trash shall be permitted to accumulate, except in covered containers. Licensor shall provide for regular trash collection services so as to maintain a clean and safe condition within the Parking Facility. The booths and office windows shall be cleaned as needed.

(c) **Signage.** Licensor shall maintain, repair, and replace parking area entrance, exit and directional signs, markers and lights required for safety and consistent with that of a safe and clean parking structure. Licensor shall install, clean, maintain, re-lamp and repair all signs in the Parking Facility, including directional and other signage related to the parking functions.

(d) **Lighting.** Licensor shall clean lighting fixtures and re-lamp and re-ballast them as needed. The Parking Facility shall be kept lighted by the Licensor for security purposes seven days each week as necessary during the Public Operating Hours.

(e) **Landscaping.** Licensor shall maintain, repair and replace landscaping, if any, as necessary to keep the same in a thriving condition commensurate with that of a similarly situated parking structure in the City.

(f) **Graffiti.** Licensee shall remove graffiti from the Parking Facility and paint and touch up Parking Facility surfaces and fixtures, as necessary.

(g) **Fire Alarm.** Licensor shall maintain and oversee the operation of the fire alarm system within the Parking Facility. Licensor shall secure a contract with a qualified company for the fire alarm monitoring of the Parking Facility.

(h) **Pest Control.** Licensor shall maintain and oversee the control of insects and pests within the Parking Facility.

(i) **Telephone.** Licensor shall provide for a telephone and facsimile machine on-site which shall be operational during business hours. Licensor shall allow Licensee staff to use the telephone for official Licensee business and in emergency situations.

(j) **ADA Compliance.** Licensor shall provide handicapped accessible attendant booths in compliance with the Americans With Disabilities Act ("ADA") for the Parking Facility. Licensor shall be responsible for the daily cleaning and maintenance of the booths.

(k) **Utilities.** Licensor shall insure that adequate utilities are provided for the operation of the Parking Facility and shall timely pay all such utility expenses including, water, electrical, gas, sewer and waste disposal.

(l) **Maintenance Contracts.** Copies of all maintenance contracts secured pursuant to this section ~~Section~~ shall be supplied to Licensee upon request.

———All costs incurred in providing the foregoing maintenance services shall be considered Operating Costs of the Parking Facility.

Section 12. –Books and Records.

(a) ***Books and Records Relating to Parking Facility.*** Licensor shall keep at its offices full, accurate and separate books of account covering Licensor's management and operation of the Parking Facility. The books of account shall be made available by Licensor at its offices for a period of at least 36 months after the expiration of each License Year. Licensee shall have the right at all reasonable times during the Term and for a period of 36 months after the end of the Term to inspect the books of account. Within 24 months of the end of each year, Licensee shall also have the right to complete or cause to be completed an audit of the Parking Facility's Operating Costs for any such year by third-party accountants or consultants experienced in the operations of similar businesses, selected by Licensee. The cost of such audit shall be paid from the Maple Avenue Parking Fund.

(b) ***Records Relating to Bonds.*** Not more frequently than once during each License Year, Licensee shall have the right, during regular business hours, to request and complete an audit of the books and records of the Trustee relating to the Bonds and the financing of the Parking Facility. The cost of such audit shall be paid from the Maple Avenue Parking Fund.

(c) ***Estimated Operating Costs.*** No later than ~~thirty~~ (30) days prior to the Commencement Date and each License Year during the Term of this Agreement, Licensor shall furnish to Licensee a statement of the Estimated Operating Costs for the Parking Facility for the next License Year. If Licensee objects to any statement of Estimated Operating Costs submitted to Licensee by Licensor, Licensee shall within ~~ten~~ (10) days of the receipt of the statement provide a written statement to Licensor identifying Licensee's objections to the statement. Both parties shall attempt to resolve the conflict by negotiation. If Licensor and Licensee are not able to negotiate a resolution to the conflict within ~~ten~~ (10) days after Licensee has given Licensor written objection to the statement, then the dispute shall be presented to a mediator pursuant to Section 31 in an attempt to resolve the dispute. Until such time as a final determination is rendered in such mediation, the Estimated Operating Costs for the next succeeding year shall be the same as the preceding year.

Section 13. –Application of Revenues.

(a) ***Establishment of Maple Avenue Parking Fund.*** Concurrently with the issuance of the Bonds, Licensor shall establish an interest-bearing account with the Trustee to be designated as the "Maple Avenue Parking Fund" (the "Maple Avenue Parking Fund"). Revenues, exclusive of License Fees, received from the operation of the Parking Facility shall be deposited by Licensor into the Maple Avenue Parking Fund or an account therein established pursuant to the Indenture no later than the business day following receipt of such Revenues. Revenues collected from the sale of monthly parking passes shall be deposited by Licensor into the Maple Avenue Parking Fund or an account therein established pursuant to the Indenture no later than the business day following receipt of such Revenues. License Fees received by the Trustee pursuant to

Section 8 shall be deposited upon receipt in the License Fees Account of the Maple Avenue Parking Fund.

(b) **Application of Revenues.** In each License Year, Revenues in the Maple Avenue Parking Fund shall be applied by Licensor, or the Trustee on behalf of Licensor, for the following purposes, in the following order of priority:

(i) On a monthly basis:

(A) City Parking Occupancy Tax. Pay the City Parking Occupancy Tax due and payable to the City.

(B) (A)-Operating Costs. Pay all Operating Costs incurred in the operation and maintenance of the Parking Facility in accordance with the requirements contained herein;

(C) (B)-Debt Service. Deposit or otherwise set aside with the Trustee an amount equal to $\frac{1}{24}$ th one-twelfth of the principal and $\frac{1}{12}$ th one-sixth of the interest coming due on the next succeeding principal and interest payment dates for the Bonds; and, after taking into account the License Fees paid by Licensee pursuant to this Agreement.

(D) Operating Reserve Fund Deposit. Deposit or otherwise set aside in the Operating Reserve Fund the amount required to establish and maintain the Operating Reserve Fund at the Operating Reserve Fund Requirement; provided, however, no further deposits need be made into the Operating Reserve Fund after October 1, 2027.

(ii) ~~Semi-annually~~ Semiannually on each April 1 and October 1:

(A) Reserve Fund. To the extent there is a deficiency in the Reserve Fund, deposit into the Reserve Fund the amount required to replenish the Reserve Fund to the Reserve Fund Requirement.

~~(B) — Operating Reserve Fund Deposit.~~ Deposit or otherwise set aside in the Operating Reserve Fund an amount up to \$_____ until the amount on deposit in the Operating Reserve Fund equals the Operating Reserve Fund Requirement. At any time the amount on deposit in the Operating Reserve Fund falls below the Operating Reserve Fund Requirement, Licensor or the Trustee on behalf of Licensor, shall resume the deposits into the Operating Reserve Fund in an amount up to \$_____ until the amount on deposit in the Operating Reserve Fund equals the Operating Reserve Fund Requirement.

(B) (C) — BGIF Loan Agreement Repayment. Deposit Commencing on April 1, 2011, deposit or otherwise set aside in a separate account an amount equal to one-half of the principal and the

interest coming due on the next succeeding interest and principal payment dates pursuant to the BGIF Loan Agreement, together with any delinquent principal and interest payments under the BGIF Loan Agreement.

(iii) Annually, on each _____October 1:

(A) *Rebate Fund Deposit.* Deposit into the Rebate Fund the amount, if any, required to be deposited into the Rebate Fund pursuant to the Tax Agreement.

(B) *Reimbursement of License Fees.* ~~Reimburse~~Commencing October 1, 2009, reimburse Licensee all Licensee Fees paid by Licensee pursuant to this Agreement; ~~and~~

(C) *Disbursement of Excess Revenues.* ~~Subject~~Commencing October 1, 2009, subject to the provisions of Section 15 of this Agreement, distribute all excess Revenues remaining on deposit in the Maple Avenue Parking Fund equally between Licensor and Licensee.

Section 14. –Operating Reserve Fund. Licensor shall establish or cause to be established by the Trustee and held in trust under the Indenture a separate fund designated as the “Operating Reserve Fund” (the “Operating Reserve Fund”). All interest earnings and income on amounts on deposit in the Operating Reserve Fund shall be transferred to the Maple Avenue Parking Fund. Amounts on deposit in the Operating Reserve Fund shall be applied by Licensor, or the Trustee on behalf of Licensor, to pay Operating Costs to the extent Revenues are insufficient in any License Year to pay such Operating Costs and to fund the repair, refurbishment or replacement of the Parking Facility not otherwise funded from any other sources pursuant to this Agreement. Licensor shall notify Licensee in writing of any proposed disbursement or application of amounts on deposit in the Operating Reserve Fund and obtain Licensee’s written consent to such disbursement or application, which consent shall not be unreasonably delayed, conditioned or withheld by Licensee. If Licensee objects to the disbursement or application of amounts on deposit in the Operating Reserve Fund, Licensee shall within ~~ten~~(10) days of the receipt of Licensor’s written notification provide a written statement to Licensor identifying Licensee’s objections to the disbursement or application of amounts on deposit in the Operating Reserve Fund. Both parties shall attempt to resolve the conflict by negotiation. If Licensor and Licensee are not able to negotiate a resolution to the conflict within ~~ten~~(10) days after Licensee has given Licensor written objection to the disbursement or application of amounts on deposit in the Operating Reserve Fund, then the dispute shall be presented to a mediator pursuant to Section 31 in an attempt to resolve the dispute. If Licensee fails to deliver a written disapproval of such proposed disbursement or application of funds in the Operating Reserve Fund within ~~ten~~(10) days of Licensor’s delivery of notice to Licensee outlining Licensee’s basis for such disapproval, then the disbursement or application of such funds shall be deemed to be approved by Licensee.

Upon payment of the Bonds, all amounts on deposit in the Operating Reserve Fund shall be transferred to a new account held by a financial institution in the City (which may be the Trustee) to be established and administered by Licensor with the written consent of Licensee

until the Termination Date, at which time any amounts remaining on deposit in the Operating Reserve Fund shall be disbursed equally between Licensee and Licensor.

Section 15. –Security for Licensor’s Obligations. As security for Licensor’s obligations under the Loan Agreement and the BGIF Loan Agreement, Licensor shall, concurrently with the issuance of the Bonds, furnish to the Trustee the Letter of Credit in an amount equal to the Letter of Credit Amount. Licensor shall cause the Letter of Credit to be continuously maintained in an amount equal to the Letter of Credit Amount while the Bonds are outstanding. In the event Licensor fails to renew or furnish a substitute letter of credit at least ~~sixty (60)~~ days prior to the expiration of the Letter of Credit, ~~Trustee is hereby instructed to disburse any excess Revenues due to Licensor pursuant to Section 13(b)(v) to Licensee until such disbursements are equal to the Letter of Credit Amount.~~ In the event that Licensee determines that such disbursements are insufficient to satisfy Licensor’s obligations under this Section, Licensee may elect to exercise its rights to purchase the Parking Facility pursuant to Section 26 of this Agreement the Trustee shall draw on the Letter of Credit and deposit the amounts received in the Letter of Credit account to be created in the Maple Avenue Parking Fund for application to the payment of the principal of and interest on the Bonds and debt service on the BGIF Loan.

Section 16. –Late Fee. Licensee acknowledges that the late payment by Licensee to Licensor of the License Fees will cause Licensor to incur costs not contemplated by this Agreement, the exact amount of which is difficult to ascertain. Accordingly, if any installment of License Fees is not received by Licensor or Licensor’s designee within five ~~(5)~~ calendar days after the applicable due date, without any requirement for notice to Licensee, Licensee shall pay to Licensor a late charge equal to ~~seven percent (7%)~~ of the overdue amount. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs incurred by Licensor by reason of late payment by Licensee. Acceptance of any late charge shall not constitute a waiver by Licensor of Licensee’s default with respect to the overdue amount, and shall not prevent Licensor from exercising any of the other rights and remedies available to Licensor for a default by Licensee under this Agreement.

Section 17. –Indemnity. LICENSEE SHALL INDEMNIFY, DEFEND (WITH COUNSEL ACCEPTABLE TO LICENSOR) AND HOLD HARMLESS LICENSOR PARTIES, (AS HEREINAFTER DEFINED), FROM AND AGAINST ANY AND ALL CLAIMS, JUDGMENTS, CAUSES OF ACTION, DAMAGES, PENALTIES, COSTS, LIABILITIES, AND EXPENSES, INCLUDING ALL, COSTS, REASONABLE ATTORNEYS’ FEES, EXPENSES, AND LIABILITIES INCURRED BY LICENSOR PARTIES IN THE DEFENSE OF ANY SUCH CLAIM OR ANY ACTION OR PROCEEDING BROUGHT THEREON, ARISING AT ANY TIME DURING OR AFTER THE TERM OF THIS AGREEMENT AS A RESULT (DIRECTLY OR INDIRECTLY) OF OR IN CONNECTION WITH THE USE OF THE PARKING FACILITY BY LICENSEE PARTIES, (AS HEREINAFTER DEFINED). LICENSOR HEREBY AGREES THAT THE CITY ATTORNEY OF THE CITY SHALL BE AND IS DEEMED ACCEPTABLE AS COUNSEL TO LICENSOR IN CONNECTION WITH LICENSEE’S COVENANT TO DEFEND LICENSOR AS PROVIDED IN THIS SECTION ABSENT A CONFLICT OF INTEREST BETWEEN LICENSOR AND LICENSEE WITH RESPECT TO SUCH CLAIMS, JUDGMENTS, CAUSES OF ACTION, DAMAGES, PENALTIES, COSTS,

~~LIABILITY~~LIABILITIES AND EXPENSES. LICENSOR SHALL INDEMNIFY, DEFEND (WITH COUNSEL ACCEPTABLE TO LICENSEE), AND HOLD HARMLESS LICENSEE PARTIES FROM AND AGAINST ANY AND ALL CLAIMS, JUDGMENTS, CAUSES OF ACTION, DAMAGES, PENALTIES, COSTS, LIABILITIES, AND EXPENSES, INCLUDING ALL COSTS, REASONABLE ATTORNEYS' FEES, EXPENSES, AND LIABILITIES INCURRED BY LICENSEE PARTIES IN THE DEFENSE OF ANY SUCH CLAIM OR ANY ACTION OR PROCEEDING BROUGHT THEREON, ARISING AT ANY TIME DURING OR AFTER THE TERM OF THIS AGREEMENT AS A RESULT (DIRECTLY OR INDIRECTLY) OF OR IN CONNECTION WITH THE USE OF THE PARKING FACILITY BY LICENSOR PARTIES OR THE INVITEES OF LICENSOR. LICENSOR AND LICENSEE HEREBY AGREE THAT THE TRANSIENT AND MONTHLY PARKERS IN THE PARKING FACILITY SHALL BE DEEMED INVITEES OF LICENSOR FOR PURPOSES OF THIS AGREEMENT. AS USED HEREIN, THE TERM "LICENSOR PARTIES" MEANS LICENSOR AND ITS MEMBERS, DIRECTORS, OFFICERS, EMPLOYEES, SHAREHOLDERS AND AGENTS, AND EACH OF THEIR SUCCESSORS AND ASSIGNS; AND THE TERM "LICENSEE PARTIES" MEANS LICENSEE AND ITS COUNCIL MEMBERS, OFFICERS, EMPLOYEES, AND AGENTS, AND EACH OF THEIR SUCCESSORS AND ASSIGNS, BUT SPECIFICALLY EXCLUDING THE GENERAL PUBLIC. THE OBLIGATIONS OF EACH PARTY UNDER THIS SECTION SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS AGREEMENT.

Section 18. –MTA Component. Licensee shall not be responsible for the maintenance and operation of the MTA Component and the costs of such maintenance shall not be included in Operating Costs for the Parking Facility. Licensor shall ensure that the MTA Component is properly maintained by the MTA in a clean, orderly and safe condition consistent with the standards set forth herein for the maintenance of the Parking Facility by the Licensor. To the extent the MTA fails to properly maintain the MTA Component as required pursuant to the Agreement and the Ground Lease, Licensor shall pursue all remedies available to Licensor pursuant to the Ground Lease to ensure the MTA Component is properly maintained. The MTA Component shall have separate meters for all utility services required to operate the MTA Component and all such services shall be billed directly to the MTA. The MTA shall be required to maintain property and liability insurance coverage in amounts deemed reasonable and customary for the operation of the MTA Component as a transit bus staging area. Such insurance policy or policies shall name the Licensee and the Licensor as additional insureds and shall require at least ~~thirty~~ (30) days' written notice to Licensee and Licensor prior to the cancellation or expiration of such insurance coverage.

Section 19. –Representations and Affirmative Covenants of Licensor.

(a) **Compliance ~~with~~ With Ground Lease.** Licensor shall comply with the terms and provisions of the Ground Lease and shall notify Licensee within five (5) days of any event of default under the Ground Lease.

(b) **Compliance ~~with~~ With Development Agreement.** Licensor shall comply with the terms and provisions of the Development Agreement and shall notify Licensee within five (5) days of any event of default under the Development Agreement.

(c) **Limitation on Creation of Liens.** Except as otherwise provided in Section 19(f), Licensors covenants and agrees that it will not create, assume or suffer to be created or permit to exist any Lien (a "security interest") upon the Parking Facility, the Leasehold Estate or the Revenues.

(d) **Completion of Project; Licensed Contractors.** Licensors covenants and agrees that it will proceed with due diligence to cause the Project to be completed as expeditiously as practical. Prior to or concurrently with the issuance of the Bonds, Licensors has entered into the Design/Build Agreement for the Project. Licensors shall certify that the contractors engaged to construct the Project are properly licensed by the Contractors' State License Board.

(e) **Environmental Compliance.**

(i) Licensors covenants and agrees that it will comply with all material laws, statutes, ordinances, regulations, covenants, conditions and restrictions now or hereafter affecting the Parking Facility or the operations thereof, and it will not commit, suffer or permit any act to be done in violation of any law, ordinance or regulation, except, in each case, where such noncompliance or act would not have a material adverse effect upon Licensors's assets, operations or financial condition.

(ii) Licensors represents and warrants that:

(A) To the best of its knowledge, after due inquiry, no litigation, investigation or administrative or other proceeding of any kind before or by any Governmental Authority or private party relating to (1) any environmental, health, or safety Requirement of Law;₂ (2) any Remedial Action;₂ (3) any Liabilities and Costs arising from the Release or threatened Release of Hazardous Substances into the environment;₂ or (4) any other Liabilities and Costs arising from or concerning environmental, health or safety issues or conditions is pending or threatened against or involving the Parking Facility.

(B) Licensors is not subject to any judgment, injunction, writ, order or agreement respecting (1) any environmental, health or safety Requirement of Law;₂ (2) any Remedial Action;₂ and (3) any Liabilities and Costs arising from or concerning environmental, health or safety issues or conditions arising from the violation of law. In addition, Licensors is not now aware, after due inquiry, of any grounds on which such judgment, injunction, writ, order or agreement might be based.

(C) Licensors has reviewed the reports prepared with respect to the Site and has no knowledge of the existence of any other reports of investigations, contracting documents and other written materials concerning the existence of Hazardous Substances with respect to the Site. These reports indicated that no Hazardous Substances have been disposed of on the Site in any manner as to result in material liability to Licensors.

Licensor agrees that it will take all actions to ensure that it is in material compliance with any Requirement of Law if and when there is a Release of any Hazardous Substances on the Parking Facility.

(D) The operations or other activities of Licensor will not result in the disposal or other Release of any Hazardous Substances on or from the Parking Facility other than in material compliance with applicable Environmental Regulations.

(E) Licensor has not entered into any negotiations or agreements with any person (including, without limitation, any prior owner of any portion of the Site) relating to any Remedial Action.

(F) Licensor has not received any notice or claim or information to the effect that it is or may be liable to any person as a result of a Release or threatened Release of a Hazardous Substances into the environment in violation of applicable Environmental Regulations.

(G) No Environmental Lien has attached to any of the Parking Facility.

(H) The Parking Facility does not contain asbestos or any PCB containing material in violation of any Requirement of Law.

(I) The operations or other activities of Licensor shall not result in the disposal or other Release of any Hazardous Substances on or from the Parking Facility other than in material compliance with all current and future applicable environmental laws and Licensor shall not engage in any activities that will result in the violation of any current or future environmental laws. Licensor shall obtain from time to time all permits required under any current or future environmental laws so that the operations of Licensor will be in material compliance with such laws.

(J) Licensor will make available for inspection from time to time all documents and information in its possession and control regarding activities and conditions relating to the Parking Facility and other assets which may result in material noncompliance with, or liability under, any Requirement of Law.

(K) Licensor shall not knowingly store, locate, generate, produce, process, treat, transport, incorporate, discharge, emit, release, deposit or dispose of any Hazardous Substance in, upon, under, over or from the Parking Facility other than in material compliance with all applicable Environmental Regulations, shall not permit any Hazardous Substance to be stored, located, generated, produced, processed, treated, transported, incorporated, discharged, emitted, released, deposited, disposed of or to escape therein, thereupon, thereunder, thereover or therefrom other than in material compliance with all applicable

Environmental Regulations, shall not install or permit to be installed any underground storage tank therein or thereunder other than in material compliance with all applicable Environmental Regulations, and shall comply with all Environmental Regulations which are applicable to the Parking Facility. At any time, and from time to time, if Licensee reasonably so requests, the Parking Facility shall have an environmental review, audit, assessment and/or report prepared for Licensee, if none has previously been so provided during the immediately preceding 36 months. Licensor shall indemnify Licensee and shall hold Licensee harmless from, and shall reimburse Licensee for, any and all claims, demands, judgments, penalties, liabilities, costs, damages and expenses, including court costs and attorneys' fees directly or indirectly incurred by Licensee (prior to trial, at trial and on appeal) in any action against or involving Licensee, resulting from any breach of the foregoing covenants, or from the discovery of any Hazardous Substance, in, upon, under or over, or emanating from, the Parking Facility, whether or not Licensor is responsible therefor, it being the intent of Licensor that Licensee shall have no liability or responsibility for damage or injury to human health, the environment or natural resources caused by, for abatement and/or clean up of, or otherwise with respect to, Hazardous Substances by virtue of its interests, if any, in the Parking Facility created by this Agreement or otherwise, or hereafter created, or as the result of Licensee exercising any of its rights or remedies with respect thereto hereunder or under any other instrument, including, but not limited to, becoming the owner hereof by purchase. The foregoing representations, warranties and covenants shall be deemed continuing covenants, representations and warranties for the benefit of Licensee and any successors and assigns thereof.

(L) Within 10 days after receipt of any report, citation, order, manifest or other written or oral communication from any local, state or federal agency or authority empowered to enforce, investigate or oversee compliance with Environmental Regulations, concerning the Parking Facility, any condition thereon, or the activities of any person on or near the Parking Facility, Licensor shall notify Licensee in writing of the contents of such communication, and shall provide Licensee with a copy of all relevant documents.

(M) Nothing contained in this Section 19(e) shall obligate Licensee, the Trustee or the Authority to take any action with respect to the Parking Facility, any Hazardous Substances thereon, or any condition or activity that is in violation of Environmental Regulations, or to take any action against any Person with respect to such substances, condition or activity.

(f) **Permitted Indebtedness.** Licensor covenants that it will not incur any Indebtedness except for:

(i) Indebtedness evidenced by the Loan Payments to be made under the Loan Agreement and the Bonds issued and delivered pursuant to the Indenture;

(ii) Additional Indebtedness evidenced by Additional Loan Payments to be made pursuant to a Supplemental Loan Agreement and Additional Bonds executed and delivered pursuant to a Supplemental Indenture; and

(iii) Indebtedness, the proceeds of which will be used for the construction, installation, maintenance and operation of the Parking Facility, which in all cases shall be subordinate to Licensor's obligations under the Loan Agreement and the BGIF Loan Agreement.

(g) ***Taxes, Assessments, Other Governmental Charges and Utility Charges.***

Licensor covenants and agrees that it will pay and discharge or cause to be paid and discharged all taxes, assessments, governmental charges of any kind whatsoever, water rates, meter charges and other utility charges which may be or have been assessed or which may have become liens upon the Parking Facility or the interest therein of Licensee, the Authority, the Trustee or the holders of the Bonds and will make such payments or cause such payments to be made, respectively, in due time to prevent any delinquency thereon or any forfeiture or sale of the Parking Facility or the interest therein of Licensee, the Authority, the Trustee or the holders of the Bonds or any part thereof, and, upon request, will furnish to Licensee, the Trustee and the Authority receipts for all such payments, or other evidences satisfactory to Licensee, the Trustee and the Authority; provided, however, that Licensor shall not be required to pay any tax, assessment, rate or charge as herein provided as long as it shall in good faith contest the validity thereof, provided that Licensor shall have set aside reserves with respect thereto that, in the opinion of Licensor, are adequate. Notwithstanding anything herein to the contrary, Licensor shall take all actions necessary to apply for an exemption from ad valorem taxes for the Public Parking Spaces in the Parking Facility.

(h) ***Permits.*** Licensor and its officers, agents and employees shall obtain and maintain all licenses, permits, certifications and other documents necessary for Licensor's performance hereunder and shall pay any fees required therefor. Licensor shall promptly notify Licensee of any suspension, termination, lapses, non-renewals, or restrictions of licenses, permits, certificates, or other documents.

(i) ***Nondiscrimination and Affirmative Action.*** Licensor shall comply with the applicable nondiscrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the City. In performing this Agreement, Licensor shall not discriminate in its employment practices against any employee or applicant for employment because of such person's race, religion, national origin, ancestry, sex, sexual orientation, age, disability, domestic partner status, marital status or medical condition. Licensor shall comply with the provisions of the Los Angeles Administrative Code Sections 10.8 through 10.13, to the extent applicable hereto. Licensor shall also comply with all rules, regulations, and policies of the City's Board of Public Works, Office of Contract Compliance relating to nondiscrimination and

affirmative action, including the filing of all forms required by said office. Any subcontract entered into by Licensor relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of this paragraph. Failure of Licensor to comply with this requirement or to obtain the compliance of its subcontractors with such obligations shall subject Licensor to the imposition of any and all sanctions allowed by law, including but not limited to termination of this Agreement.

(j) ***Current Los Angeles City Business/Tax Registration Certificate Required.*** Licensor represents that it shall obtain a Business Tax Registration Certificate(s) required by the City's Business Tax Ordinance (Article 1, Chapter 2, sections 21.00 and following, of the Los Angeles Municipal Code), as required by such ordinance. For the term covered by this Agreement, Licensor (and the Parking Facility Manager, if not Licensor) shall maintain, or obtain as necessary, all such Certificates required of it under said ordinance and shall not allow any such Certificate to be revoked or suspended.

(k) ***Child Support Assignment Orders.*** This Agreement is subject to Section 10.10, Article 1, Chapter 1, Division 10 of the Los Angeles Administrative Code, Child Support Assignment Orders Ordinance. Licensor is required to complete a Certification of Compliance with Child Support Obligations which is attached hereto as Exhibit C and incorporated herein by this reference. Pursuant to this ordinance, Licensor shall (i) fully comply with all State and Federal employment reporting requirements applicable to Child Support Assignment Orders; (ii) certify that the principal owner(s), members or managers of Licensor are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (iii) fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code section ~~5230~~, 5230 et seq.; and (iv) maintain such compliance throughout the term of this Agreement. Pursuant to Section 10.10.b of the Los Angeles Administrative Code, failure of Licensor to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment Orders and Notices of Assignment or the failure of any principal owner(s), members or managers of Licensor to comply with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally shall constitute a default by the Licensor under the terms of this Agreement, subjecting this Agreement to termination where such failure shall continue for more than ~~ninety~~ (90) days after notice of such failure to Licensor by Licensee. Any subcontract entered into by Licensor relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of this paragraph and shall incorporate the provisions of the Child Support Assignment Orders Ordinance. Failure of Licensor to obtain compliance of its subcontractors shall constitute a default by Licensor under the terms of this Agreement, subjecting this Agreement to termination where such failure shall continue for more than ~~ninety~~ (90) days after notice of such failure to Licensor by Licensee.

Licensor shall comply with the Child Support Compliance Act of 1998 of the State of California Employment Development Department. Licensor assures that to the best of its knowledge it is fully complying with the earnings assignment orders of all employees, and is providing the names of all new employees to the New Hire Registry

maintained by the Employment Development Department as set forth in subdivision (1) of the Public Contract Code 7110.

(l) *Living Wage Ordinance and Service Contractor Worker Retention Ordinance.*

(i) Unless otherwise exempt in accordance with the provisions of the Living Wage Ordinance (“LWO”), this Agreement is subject to the applicable provisions of the LWO, Section 10.37 et. seq. of the Los Angeles Administrative Code, as amended from time to time, and the Service Contractor Worker Retention Ordinance (SCWRO), Section 10.36 et. seq., of the Los Angeles Administrative Code, as amended from time to time.

(A) Licensor shall pay a minimum initial wage rate to employees as defined in the LWO and as may be adjusted each July 1 and provision of benefits as defined in the LWO.

(B) Licensor further pledges that it will comply with federal law proscribing retaliation for union organizing and will not retaliate for activities related to the LWO. Licensor shall require each of its subcontractors within the meaning of the LWO to pledge to comply with the terms of federal law proscribing retaliation for union organizing. Licensor shall deliver the executed pledges from each such subcontractor to the City within ~~ninety~~-(90) days of the execution of the subcontract. Licensor’s delivery of executed pledges from each such subcontractor shall fully discharge the obligation of Licensor with respect to such pledges and fully discharge the obligation of Licensor to comply with the provision in the LWO contained in Section 10.37.6c concerning compliance with such federal law.

(C) Licensor, whether an employer, as defined in the LWO, or any other person employing individuals, shall not discharge, reduce in compensation, or otherwise discriminate against any employee for complaining to the City with regard to the employer’s compliance or anticipated compliance with the LWO, for opposing any practice proscribed by the LWO, for participating in proceedings related to the LWO, for seeking to enforce his or her rights under the LWO by any lawful means, or otherwise asserting rights under the LWO. Licensor shall post the Notice of Prohibition Against Retaliation provided by the City.

(D) Any subcontract entered into by Licensor relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of this Section and shall incorporate the provisions of the LWO and the SCWRO.

(E) Licensor shall comply with all rules, regulations and policies promulgated by the designated administrative agency which may be amended from time to time.

(ii) Under the provisions of Section 10.36.3(c) and Section 10.37.5(c) of the Los Angeles Administrative Code, Licensee shall have the authority, under appropriate circumstances, to terminate this Agreement and otherwise pursue legal remedies that may be available if Licensee determines that Licensor has violated provisions of the LWO and the SCWRO.

(iii) Where under the LWO Section 10.37. 6 (d), the designated administrative agency has determined (~~aA~~) that Licensor is in violation of the LWO in having failed to pay some or all of the living wage; and (~~bB~~) that such violation has gone uncured, the awarding authority in such circumstances may impound ~~monies~~moneys otherwise due Licensor in accordance with the following procedures. Impoundment shall mean that from ~~monies~~moneys due Licensor, the awarding authority may deduct the amount determined to be due and owing by Licensor to its employees. Such ~~monies~~moneys shall be placed in the holding account referred to in LWO Section 10.37.6 (d) (3) and disposed of under procedures there described through final and binding arbitration. Whether Licensor is to continue work following an impoundment shall remain in the unfettered discretion of Licensee. Licensor may not elect to discontinue work either because there has been an impoundment or because of the ultimate disposition of the impoundment by the arbitrator.

(m) ***Earned Income Tax Credit.*** This Agreement is subject to the provisions of Section 10.37.4 of the Los Angeles Administrative Code, requiring employers to inform employees making less than ~~Twelve Dollars~~ (\$12.00) per hour of their possible right to the federal Earned Income Tax Credit (EITC). Employers must further make available to employees the forms required to secure advance EITC payments from employers.

(n) ***Americans ~~with~~With Disabilities Act.*** Licensor shall comply with the Americans with Disabilities Act 42 U.S.C. Section 12101 et seq. and with the provisions of the Certification Regarding Compliance with the Americans with Disabilities Act which is attached hereto as Exhibit D and incorporated herein by this reference.

(o) ***Minority, Women, ~~And~~and Other Business Enterprise Outreach Program.*** Licensor certifies that it shall comply with Mayoral Directive 2001-~~26~~ regarding the Outreach Program for Personal Services Contracts Greater than \$100,000, as applicable. Licensor shall not change any of these designated subconsultants, nor shall Licensor reduce their level of effort, without prior written approval of Licensee, provided that such approval shall not be unreasonably withheld.

(p) ***Equal Benefits Ordinance.*** Unless otherwise exempt in accordance with the provisions of the City's Equal Benefits Ordinance, Section 10.8.2.1 of Article 1, Chapter 1 of Division 10 of the Los Angeles Administrative Code (the "Equal Benefits

Ordinance”), this Agreement shall be subject to the Equal Benefits Ordinance. To the extent this Agreement is subject to the Equal Benefits Ordinance, the following provisions shall apply to this Agreement.

(i) Licensor shall comply with the Equal Benefits Ordinance during the performance of this Agreement and the Licensor certifies and represents that the Licensor will provide equal benefits to its employees with spouses and its employees with domestic partners during the term of this Contract.

(ii) Licensor agrees to post a copy of the Equal Benefits Ordinance in conspicuous places at its place of business available to employees and applicants for employment.

(iii) Licensor shall permit access to and may be required to provide certified copies of all of its records pertaining to employment and to its employment practices to Licensee, for the purpose of investigation to ascertain compliance with the Equal Benefits Provisions of this Agreement, and on their or either of their request to provide evidence that it has complied or will comply therewith.

(iv) The failure of Licensor to comply with the Equal Benefits Provisions of this Agreement may be deemed to be a material breach hereof. Such failure shall only be established upon a finding to that effect by Licensee, on the basis of its own investigation. No such finding shall be made except upon a full and fair hearing after notice and an opportunity to be heard has been given to Licensor.

(v) Upon a finding duly made that Licensor has breached the Equal Benefits Provisions of this Agreement, this Agreement may be forthwith canceled, terminated or suspended, in whole or in part, by Licensee, and all ~~monies~~moneys due or to become due hereunder may be retained by Licensee. In addition thereto, such breach may be the basis for a determination by Licensee, that Licensor is an irresponsible bidder pursuant to the provisions of Section 371 of the Los Angeles City Charter. In the event of such determination, Licensor shall be disqualified from being awarded a Contract with the City of Los Angeles for a period of two years, or until it shall establish and carry out a program in conformance with the provisions hereof.

(vi) Notwithstanding any other provisions of this Agreement, Licensee shall have any and all other remedies at law or in equity for any breach hereof.

(vii) Nothing contained in this Agreement shall be construed in any manner so as to require or permit any act which is prohibited by law.

(viii) The equal benefits requirements of this Section shall not apply to collective bargaining agreements in effect prior to the effective date of Section 10.8.2.1 of the Los Angeles Administrative Code. Amendments, extensions or other modifications of such collective bargaining agreements, occurring

subsequent to the effective date of that section, shall incorporate the equal benefits requirements of that section.

(ix) Licensor shall include a like provision in all subcontracts awarded for work to be performed under the contract with Licensee and shall impose the same obligations, including but not limited to filing and reporting obligations, on the subcontractors as are applicable to Licensor. Failure of the Licensor to comply with this requirement or to obtain the compliance of its subcontractors with all such obligations shall subject the Licensor to the imposition of any and all sanctions allowed by law, including but not limited to termination of this Agreement.

(q) **Slavery Disclosure Ordinance.** Unless otherwise exempt in accordance with the provisions of the City's Slavery Disclosure Ordinance, Section 10.41 of the Los Angeles Administrative Code, as may be amended from time to time (the "Slavery Ordinance"), this Agreement shall be subject to the Slavery Ordinance. To the extent the Slavery Ordinance is applicable to this Agreement, Licensor certifies that it has complied with the applicable provisions of the Slavery Ordinance. Failure to fully and accurately complete the affidavit required pursuant to the Slavery Ordinance may result in termination of this Agreement.

Section 20. –Default by Licensee. Licensee shall be in default hereunder if (a) Licensee is delinquent in the payment of any sum to be paid under this Agreement and such delinquency continues for ~~twenty-five (25)~~ days after Licensor or the Trustee has given written notice thereof to, Licensee; or (b) Licensee shall fail to perform any of the other covenants or conditions which Licensee is required to observe and perform within ~~thirty (30)~~ days after receipt of notice from Licensor or the Trustee of such failure, or within such longer period of time as is reasonably necessary to cure the default if such default cannot be cured within said ~~thirty (30)~~-day period so long as Licensee commences the curative action within said ~~thirty (30)~~-day period and diligently pursues the cure to completion. Upon the occurrence of any such default (that is not cured in accordance with the preceding sentence), Licensor may, with the written consent of the Bond Insurer, so long as the Insurance Policy is in full force and effect and the Bond Insurer is not in default in its payment obligations under the Insurance Policy, or with the written consent of the Trustee and a majority of Bondholders if the Insurance Policy is no longer in full force and effect or the Bond Insurer is in default in its payment obligations under the Insurance Policy, treat the default as a breach of this Agreement and thereupon, Licensor, at Licensor's option, may (i) terminate this Agreement and Licensee's right to use the Public Parking Spaces, and/or (ii) pursue any other remedy available at law.

Section 21. –Default by the Licensor.

(a) Licensor shall be in default hereunder if (i) Licensor shall be in default in the performance of any of the covenants or conditions which Licensor is required to observe and perform hereunder, (ii) Licensor shall be in default under any provision of any of the Bond Documents, or (iii) Licensor shall be in default under any covenant or condition of the Ground Lease. Licensor shall not be deemed in default under clause (i) above unless Licensor has failed to perform such obligation within ~~thirty (30)~~ days after

the receipt of written notice of default from Licensee specifying in detail Licensor's failure to perform. Concurrently with the delivery of written notice to Licensor, Licensee shall ~~delivery~~deliver a copy of such written notice to the Trustee and the MTA. Licensor shall not be deemed to be in default under this Agreement if (iA) Licensor performs and meets the obligation within the ~~thirty (30)-~~day period after written notice of default is given; or (iiB) the obligation cannot reasonably be performed within ~~thirty (30)~~ days after written notice of default is given, but Licensor reasonably commences to cure the default within the ~~thirty (30)-~~day period and diligently and in good faith continues to cure the default.

(b) In the event Licensor shall default in the performance of any obligation required to be performed under this Agreement, Licensee shall provide written notice to Licensor and the Trustee identifying the nature of such default. If Licensor shall have failed to cure a default by Licensor within ~~thirty (30)~~ days after the receipt of written notice of such default, Licensee may elect to cure such default and the Trustee shall reimburse Licensee for the cost of remedying such default as an Operating Cost of the Parking Facility.

(c) Licensor and Licensee hereby agree that within ~~ten (10)~~ Business Days of the receipt of written notice of the failure of Licensor to cure such default, the Trustee shall have the right, but not the obligation, to cure such default under this Agreement, and Licensee shall accept such performance by the Trustee as if the same had been made by Licensor, subject to all of the terms and conditions of this Agreement. In the event the Trustee elects to cure such default, it shall give Licensee written notice of its election to cure such default within such period and shall commence such cure and diligently proceed to cure the default. Any contractor retained by the Trustee to perform any obligation of Licensor shall be subject to the reasonable approval of Licensee.

(d) Except as otherwise provided in Section 9, Licensee hereby waives the benefits of Civil Code Sections 1932(1), 1932(2) and 1933(4) and any and all other rights it may have to terminate this Agreement as a result of an Abatement Event hereunder and this Agreement shall continue in full force and effect.

(e) In the event Licensor shall be in default under this Agreement, Licensee may, in addition to any other rights or remedies Licensee may have, elect to exercise its option to purchase the Parking Facility pursuant to Section 26 of this Agreement.

Section 22. –Assignment by Licensee. Licensee shall not directly or indirectly, voluntarily or by operation of law, assign, transfer, pledge, mortgage, or hypothecate this Agreement or any interest herein.

Section 23. Assignment by Licensor.

(a) Licensor may, solely for the purposes of securing financing for the construction of the Parking Facility, assign, transfer, mortgage, hypothecate or encumber Licensor's right, title and interest in and to this Agreement or any portion thereof (including the right to receive the License Fees but excluding its duties and obligations

hereunder), and Licensor may execute any and all instruments providing for the payment of License Fees directly to an assignee or transferee, but only if the conditions set forth in subsections paragraphs (b), (d) and (g) below are met. Any document or agreement purporting to collaterally assign, transfer, mortgage, hypothecate or encumber Licensor's right, title and interest in and to this Agreement or any portion thereof, is hereinafter referred to as a "Security Agreement." Any Security Agreement which is executed without full compliance with the requirements of this Section 23 shall be void.

(b) Each assignee or transferee under the Security Agreement shall certify and agree in writing that such assignee or transferee has read and is familiar with the requirements of Sections 5950-5955 of the California Government Code, which prohibit the offer or sale of any security constituting a fractional interest in this Agreement of any portion thereof, without the prior written consent of Licensee.

(c) Violation by Licensor of the provisions of Section 5951 of the California Government Code will constitute a material breach of this Agreement, upon which Licensee may impose damages in an amount equal to the greater of (i) ~~\$500,000~~500,000, or (ii) 10% of the aggregate License Fees payable by Licensee during the entire Term, it being expressly agreed that the aforesaid amount shall be imposed as liquidated damages, and not as a forfeiture or penalty. It is further specifically agreed that the aforesaid amount is presumed to be the amount of damages sustained by reason of any such violation, because from the circumstances and nature of the violation it would be impracticable and extremely difficult to fix actual damages. In addition, Licensee may exercise or pursue any other right or remedy it may have under this Agreement or applicable law.

(d) Licensor shall give Licensee notice and a copy of each Security Agreement and any other instrument relating thereto (including, but not limited to, instruments providing for the payment of the License Fees directly to an assignee or transferee) at least two weeks prior to the effective date thereof.

(e) Licensor shall not furnish any information concerning Licensee or the subject matter of this Agreement (including, but not limited to, offering memoranda, financial statements, economic and demographic information, and legal opinions rendered by the Office of the City Attorney) to any person or entity, except with Licensee's prior written consent which consent shall not be unreasonably withheld. Without violating the provisions of this Section, Licensor may use and distribute, or cause to be distributed by the underwriters for the Bonds, any of the information referred to in this paragraph in connection with the marketing and sale of the Bonds. Licensor shall indemnify, defend and hold Licensee and its officers, agents and employees harmless from and against all claims and liability alleged to arise from the inaccuracy or incompleteness of any information furnished by Licensor in violation of this Section 23.

(f) The provisions of this Section 23 shall be binding upon and applicable to the parties hereto and their respective successors and assigns. Whenever in this Section 23 Licensor is referred to, such reference shall be deemed to include Licensor's successors or assigns, and all covenants and agreements by or on behalf of Licensor

herein shall bind and apply to Licensor's successors and assigns whether so expressed or not.

(g) After the issuance of the Bonds and, so long as the Bonds are outstanding, Licensor may not assign, transfer, mortgage, hypothecate or encumber Licensor's right, title and interest in and to this Agreement or any portion thereof (including the right to receive the License Fees but excluding its duties and obligations hereunder) without the written consent of the Licensee.

Section 24. -Insurance.

(a) During the period of construction, installation and equipping of the Parking Facility, Licensor shall provide, or cause to be provided, the following forms and amounts of insurance. Such insurance shall be primary to and not contributing with any other insurance maintained by Licensee, and shall name Licensee and the Trustee as additional insureds, and shall include, but not be limited to:

(i) ~~Builders~~builders all risk insurance, but excluding earthquake, flood, terrorism and mold coverage, covering the entire work, against loss or damage until completion and acceptance by Licensee. Insurance shall be in an amount equal to the replacement value of the Parking Facility. Deductibles not exceeding \$50,000 will be allowed;

(ii) ~~Commercial~~commercial general liability insurance endorsed for Premises-Operations, Products/Completed Operations, and Contractual Liability, with a per occurrence limit of not less than \$2,000,000;

(iii) ~~Auto~~auto liability insurance endorsed for all owned and non-owned vehicles with a combined single limit of at least \$1,000,000 per occurrence; and

(iv) ~~Aa~~ program of Workers' Compensation insurance in an amount and form to meet all applicable requirements of the Labor Code of the State and which specifically covers all persons providing services on behalf of Licensee and all risks to such persons under this Agreement; provided, however, such employer's liability insurance shall have a per occurrence limit of not less than \$1,000,000.

(b) Following the Commencement Date and during the term of this Agreement, Licensor shall provide, or cause to be provided, the following forms and amounts of insurance. Such insurance shall be primary to and not contributing with any other insurance maintained by Licensee, and shall name Licensee and the Trustee as additional insureds, and shall include, but not be limited to:

(i) ~~Property~~property insurance against loss or damage for such perils ordinarily covered under all risk insurance coverage, including sprinkler leakage, but excluding earthquake, flood, terrorism or mold coverage, in an amount equal to the greater of the full replacement cost of the Parking Facility or the

Outstanding amount of Bonds. The replacement cost of the Parking Facility shall be reviewed by Licensor at least every two-~~(2)~~ years to assure sufficient coverage as required hereby. Licensor shall use all reasonable efforts to obtain, to the extent commercially reasonable and available, from the insurer of the property coverage required under this subsection, an endorsement or guaranty from the insurer in a form and substance reasonably acceptable to Licensee and the Trustee assuring that during the policy term, the coverage will be sufficient to pay the full cost of repair or replacement of the Parking Facility in the event of a loss insured by the policy. Such policy may provide for deductibles not exceeding ~~\$50,000~~50,000;

(ii) ~~Loss~~loss of business income insurance coverage in an amount sufficient to pay an amount equal to the aggregate of (A) the maximum Loan Payments payable under the Loan Agreement for a period of at least 24 months without taking into account the License Fees payable by Licensee, and (B) all debt service payable by Licensor pursuant to the BGIF Loan Agreement;

(iii) ~~A~~a program of Workers' Compensation insurance in an amount and form to meet all applicable requirements of the Labor Code of the State and which specifically covers all persons providing services on behalf of Licensor and all risks to such persons under the Loan Agreement and this Agreement; provided, however, such employer's liability insurance shall have a per occurrence limit of not less than \$1,000,000;

(iv) ~~Commercial~~commercial general liability insurance with coverage of not less than \$1,000,000 per occurrence for third-party liability bodily injury and property damage arising from Licensor's activities. The liability limit for commercial general liability insurance shall be reviewed by Licensor on the fifth anniversary of the Commencement Date and every five years thereafter to determine a reasonable limit (which may be increased or decreased by Licensor) based on the reasonable and customary amounts of general liability insurance coverage provided for operations similar in character to the Parking Facility and on the amounts of coverage then generally accepted as providing the same degree of insurance protection as exists upon the Commencement Date taking into account increased legal or practical risks, the sizes of judgment awards generally, and the costs of defending claims and actions; and

(v) Fidelity bonds or other insurance, including computer fraud, in an amount not less than \$500,000 on all officers and employees of Licensor or the Parking Facility Manager who collect or have custody of or access to revenues, receipts or income of Licensor.

(c) Licensor shall name Licensee~~and~~, the Trustee and the Bond Insurer as additional insureds on each of the applicable policies of liability insurance noted above (except workers' compensation/employer's liability, professional errors and omissions, and second-party legal liability coverages (such as fire legal)). Licensee shall be named loss payee as its interests may appear in all applicable property, fidelity or surety

coverages which may be required. The insurance policy or policies shall be placed only with Reputable Insurance Companies and the premiums therefore shall be reasonable and comparable with the premiums charged by comparable companies for comparable risk. The proceeds shall be payable to Licensor, the Trustee and Licensee as their interests may appear. The policy or policies shall not be cancelable without 30 days' prior written notice to Licensee, the Trustee and the TrusteeBond Insurer. Licensor shall provide written notice to Licensee, the Trustee and the TrusteeBond Insurer of the date of expiration of any policy maintained pursuant to this Agreement, no earlier than 120 days and no later than 60 days prior to such date of expiration, and shall provide notice to Licensee, the Trustee and the TrusteeBond Insurer of the alternate policy or policies to be obtained by Licensor to ensure compliance with the provisions of this Agreement.

(d) Under no circumstances shall the insurance coverages required by this Agreement be provided by a self-insurance program of Licensor.

(e) Licensor shall review the adequacy of the insurance requirements set forth in this Section 24 from time to time (but not less frequently than once every two (2) years), commencing January 1, 2008, to ensure that the Parking Facility and Licensor and Licensee are adequately protected from the risks associated with the operation and management of the Parking Facility and shall provide a written report to Licensee of such analysis. Licensor may and, at the written request of Licensee shall, increase the amount of insurance coverage provided in this Section 24 to such levels as Licensor or Licensee, as applicable, deems reasonably necessary to protect the Parking Facility and Licensor and Licensee. Coverages and limits are subject to availability on the open market at reasonable cost as determined by the Licensee's Risk Manager. For requirements to be relaxed or waived, Licensor's broker or agent must document non-availability or non-affordability in a letter to Licensee's Risk Manager. Such letter must show a good faith effort to place the required insurance, must list the names of the insurance carriers contacted and show the declinations or cost indications received from each. In the event any insurance required hereunder is determined by Licensee's Risk Manager to be not available or not available at an affordable cost, Licensor shall not be required to obtain such insurance during the period it is not available or not affordable, and Licensor shall notify Licensee and the Trustee of the unavailability or unaffordability of any insurance. Notwithstanding the preceding sentence, if Licensor becomes aware that any insurance required hereunder which Licensee's Risk Manager has determined is not available or is not available at an affordable cost, but is in fact available or is available at an affordable cost, from a Reputable Insurance Company, Licensor shall obtain such insurance from such Reputable Insurance Company.

(f) Licensor hereby covenants that it will use its best efforts to apply for any grants, loans or other relief available from the State or federal government to obtain amounts necessary to rebuild any portion of the Parking Facility destroyed or damaged in connection with an uninsured or underinsured calamity causing destruction or damage.

(g) Each insurance policy required by this Section 24 shall be carried by insurance companies authorized to transact insurance business in the State which are financially responsible and capable of fulfilling the requirements of such policies and

acceptable to Licensee. All such policies (except workers' compensation/employer's liability, professional errors and omissions, and second-party legal liability coverages (such as fire legal)) shall name Licensee and the Trustee as additional insureds. Licensee shall be named loss payee as its interests may appear in all applicable property, fidelity or surety coverages which may be required. Each policy shall be in such form and contain such provisions as are generally considered standard for the type of insurance involved and shall contain a provision to the effect that the insurer shall not cancel or substantially modify the policy provisions without first giving at least ~~thirty~~ (30) days' written notice thereof to Licensor, Licensee and the Trustee. In lieu of separate policies, Licensor may maintain blanket policies which cover any one or more risks required to be insured against. Licensor shall file at least annually, at the beginning of each License Year, commencing January 1, 2007 with Licensee and the Trustee a Statement setting forth the policies of insurance maintained pursuant to this Agreement, the names of the insurers and insured parties, the amounts of such insurance and applicable deductibles, the risks covered thereby and the expiration dates thereof, and stating whether Licensor is in compliance with the insurance requirements of this Agreement.

Section 25. Casualty/Condemnation. ~~Casualty/Condemnation.~~ If at any time the Parking Facility (or any part thereof) shall be damaged or destroyed by fire or other casualty, or acquired or condemned for any public or quasi-public use or purpose, then (so long as this Agreement remains in full force and effect) this Agreement shall not terminate as to the Parking Spaces that are not taken or destroyed. Any reduction in the number of Parking Spaces in the Parking Facility shall result in a proportionate reduction in the number of Parking Spaces available to both Licensor and Licensee (based upon the total number of Parking Spaces available to each prior to such casualty or condemnation). Licensee and the general public shall have full rights of ingress and egress to the remaining Parking Spaces allocated to Licensee for the purpose of utilizing such Parking Spaces. If any such reductions in the number of available Parking Spaces in the Parking Facility are temporary, then once the Parking Spaces are restored, Licensee shall again be entitled to ~~one hundred forty~~ (140) Parking Spaces in accordance with Section 3 of this Agreement.

Section 26. -Purchase of Parking Facility. Licensor acknowledges that the City has provided significant financial resources to Licensor to further the development of the Parking Facility and has made a substantial financial commitment under this Agreement to ensure the success of the Parking Facility. Licensor and Licensee acknowledge that Licensor has granted a first priority security interest in the Parking Facility to the Authority pursuant to the Deed of Trust, which security interest has been assigned to the Trustee as security for the Bondholders. Licensor and Licensee further acknowledge and agree that a subordinate security interest in the Parking Facility would not adequately protect the City's investment in the Parking Facility. Accordingly, in the event Licensor defaults in any of its obligations under this Agreement, Licensor hereby irrevocably grants to Licensee the option to purchase the Parking Facility under the terms and conditions set forth in this Section 26. The purchase price for the purchase of the Parking Facility upon the occurrence and continuance of a default by Licensor shall be equal to the amount required to pay the remaining principal of and interest on the Bonds for the balance of the term thereof. Licensee's assumption of the obligation to make the remaining payments of principal of and interest on the Bonds shall be deemed sufficient evidence of the payment of the purchase price.

(a) Licensee shall provide written notice to Licensor and the Trustee of its intent to exercise its option to purchase the Parking Facility from Licensor pursuant to this Section 26 within ~~thirty~~-(30) days of Licensor's default under this Agreement or ~~thirty~~-(30) days of the receipt of written notice from the Trustee indicating that Licensor is in default under ~~the~~ any of the Bond Documents.

(b) Within ~~thirty~~-(30) days prior to the scheduled purchase date, Licensee and Licensor shall deliver to Trustee an assumption agreement pursuant to which Licensee assumes Licensor's obligations under the Bond Documents and any personal obligations of Mark J. Weinstein with respect to the Bonds.

(c) Within ~~fifteen~~-(15) days of the delivery of the assumption agreement Licensor shall deposit or cause to be deposited with Licensee a recordable grant deed conveying title to the Parking Facility to Licensee effective on the purchase date and any other documents necessary to accomplish the purchase of the Parking Facility.

Section 27. -Parking Enforcement. Licensor reserves the right to ticket, demobilize, or tow at the vehicle owner's expense any vehicle parked in the Parking Spaces in violation of the terms hereof or in violation of the rules and regulations imposed by Licensor upon users in the Parking Facility.

Section 28. -Estoppels. The Parties agree, from time to time within ~~fifteen~~-(15) days after the request of the other party, to execute and deliver an estoppel certificate confirming each of the following: (a) that this Agreement is in full force and effect and that no default exists hereunder (or if a default does exist, then a statement to that effect and a detailed explanation of the nature of such default); (b) the amount of License Fees and Operating Expenses due hereunder at the time the estoppel certificate is delivered to the requesting party; (c) the current name and address of the party delivering such certificate; and (d) such other information as may be reasonably requested by the party requesting the estoppel certificate.

Section 29. -Reservation; Renovation; Reconfiguration. Subject to Licensor's obligations hereunder to furnish the Public Parking Spaces in accordance with the terms and provisions hereof, Licensor reserves the right to re-stripe, renovate, restore, reconstruct, and reconfigure the Parking Facility at such times as Licensor deems necessary or desirable, and Licensee agrees to cooperate with Licensor and comply with the reasonable requests of Licensor during any such period. Licensor agrees that any such re-stripping, renovation, restoration, reconstruction, or reconfiguration shall be performed in a nondiscriminatory manner and, during and after any such work, Licensee and visitors shall be treated consistently with other parkers in the Parking Facility. Nothing contained in this Section shall be construed to conflict with the casualty and condemnation provisions contained in Section 25 hereof, it being understood by the Parties that the rights and obligations of Licensor in either such event shall be governed by this Agreement and that Licensee's rights will be limited to those set forth in Section 25 hereof.

Section 30. -Easement and Encumbrances of Record. The parties acknowledge that this Agreement is subject to easements, covenants and encumbrances of record and to the terms and conditions of the Ground Lease.

Section 31. –Mediation. Except as provided herein, no civil action with respect to any dispute, claim or controversy arising out of or relating to this Agreement may be commenced until the matter has been submitted to a Dispute Resolution Service for mediation. Either party may commence mediation by providing to a Dispute Resolution Service and the other party a written request for mediation, setting forth the subject of the dispute and the relief requested. The parties will cooperate with the Dispute Resolution Service and with one another in selecting a mediator from the Dispute Resolution Service’s panel of neutral mediators, and in scheduling the mediation proceedings. The parties covenant that they will participate in the mediation in good faith, and that they will share equally in its costs; provided, however, that such costs shall not be paid out of the Maple Avenue Parking Fund. All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by any of the parties, their agents, employees, experts and attorneys, and by the mediator and any Dispute Resolution Service employees, are confidential, privileged and inadmissible for any purpose, including impeachment, in any litigation or other proceeding involving the parties; provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation. Either party may seek equitable relief prior to the mediation to preserve the status quo pending the completion of that process. Except for such an action to obtain equitable relief, neither party may commence a civil action with respect to the matters submitted to mediation until after the completion of the initial mediation session, or ~~forty-five (45)~~ days after the date of filing the written request for mediation, whichever occurs first. Mediation may continue after the commencement of a civil action, if the parties so desire. The provisions of this Section may be enforced by any court of competent jurisdiction, and the party seeking enforcement shall be entitled to an award of all costs, fees and expenses, including ~~attorney’s~~ attorneys’ fees, to be paid by the party against whom enforcement is ordered.

Section 32. –Headings and Titles. The headings and titles of this Agreement are not a part of this Agreement and shall have no effect upon the construction or interpretation of any part of this Agreement; ~~words.~~ Words of any gender used in this Agreement shall be held to include any other gender and words in the singular number shall be held to include the plural, when the sense requires.

Section 33. –Notices. All notices to be given hereunder shall be given in writing by personal delivery by a nationally or regionally recognized courier service or by depositing the same in the United States mail duly registered or certified, with postage prepaid, and addressed as follows:

-to Licensor: 636 Maple Avenue Intermodal
Parking Structure, LLC
Suite 112
1640 Fifth Street, Suite 112
Santa Monica, California CA 90401

Attention: Mark J. Weinstein
Telephone: (310) 395-3430 ~~ext.~~extension 17
Facsimile: (323) 395-3145
Attention: Mark J. Weinstein

-With a copy to: Eugene Cowan, Esq.
Bingham McCutchen LLP
Suite 4400
355 South Grand Avenue, Suite 4400
Los Angeles, California CA 90071
Telephone: (213) 229-8515
Facsimile: (213) 830-8762

-to Licensee: City of Los Angeles
Department of Transportation
100 South Main Street, 10th Floor
221 North Figueroa, Suite 500
Los Angeles, California 90012 ----- CA 90012
Telephone: (213) 972-8406
Facsimile: (213) 972-8410
Attention: Principal Transportation Engineer

Telephone: (213) 580-1195

Facsimile: (213) 580-1188

or addressed to such other addresses the Parties hereto may from time to time designate in the manner set forth herein. Each party agrees to notify the other of any change in address for such party, and if any interest in this Agreement is transferred to another party, the transferring party agrees to notify (or cause to be notified) the ~~non-transferring~~nontransferring party of the new notice address for the transferee.

Whenever a notice is required to be given by the Licensor or the Licensee pursuant to this Agreement, a copy of such notice shall concurrently be delivered to the Bond Insurer at the following address:

ACA Financial Guaranty Corporation
47th Floor
140 Broadway
New York, NY 10005
Attention: Surveillance Manager

with a copy to
(for notices of default only): ACA Financial Guaranty Corporation
47th Floor
140 Broadway
New York, NY 10005
Attention: General Counsel

Section 34. –Relationship. Nothing herein ~~contain~~contained shall be deemed or construed by the Parties hereto or by any third party as creating the relationship of principal and agent, or of partnership or joint venture, between the Parties hereto. No provision contained herein or any of the acts of the Parties shall be deemed to create any relationship between the Parties other than the relationship of Licensor and Licensee.

Section 35. –Waiver. No waiver by the Parties of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent default by the other party under the same or any other provision. Licensor's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Licensor's consent to or approval of any subsequent act by Licensee. The acceptance of the License Fees hereunder by Licensor shall not be a waiver of any preceding default by Licensee of any provision hereof, other than the failure of Licensee to pay the particular License Fees accepted, regardless of Licensor's knowledge of such preceding default at the time of acceptance of such License Fees.

Section 36. –Time is Is of the Essence. Time is of the essence of each provision of this Agreement.

Section 37. –Successors and Assigns. Subject to the provisions of Section 12 of this Agreement, all of the terms, covenants, conditions, and agreements herein contained shall be binding upon and shall inure to the benefit of the legal representatives, successors, and permitted assigns of the Parties.

Section 38. –Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State.

Section 39. –Construction. The Parties have negotiated this Agreement, have had an opportunity to be advised respecting the provisions contained herein, and have had the right to approve each and every provision hereof; therefore, this Agreement shall not be construed against either Licensor or Licensee as a result of the preparation of this Agreement by or on behalf of either party.

Section 40. –Partial Invalidity. If any covenant, term or condition of this Agreement or any application thereof shall be illegal, invalid, or unenforceable under present or future laws effective during the Term hereof such provision shall be fully severable; ~~this.~~ This Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part hereof; ~~and the.~~ The remaining provisions hereof shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance therefrom.

Section 41. –Entire Agreement. This Agreement embodies the entire agreement between the Parties relating to the subject matter hereof, supersedes all prior agreements and understandings, if any, relating to the subject matter hereof, and may be amended only by an instrument in writing executed jointly by the Licensor and Licensee the Licensee with the written consent of the Bond Insurer so long as the Insurance Policy is in full force and effect and the Bond Insurer is not in default in its payment obligations under the Insurance Policy and supplemented only by documents delivered or to be delivered in accordance with the expressed terms hereof.

Section 42. –Multiple Counterparts. This Agreement may be executed in a number of identical counterparts, each of which shall constitute an original and all of which shall constitute, collectively, one agreement; but in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

Section 43. –Recordation. This Agreement may be recorded in the public records of Los Angeles County, California, or a memorandum evidencing this Agreement may be recorded in the public records of Los Angeles County, California, to evidence the rights and obligations of the Parties hereunder.

Section 44. –Subordination, Attornment and Non-Disturbance. Licensee shall subordinate this Agreement and its rights hereunder to any present or future mortgage or lease covering the Site or any portion thereof, provided that the mortgagee or lessee requesting such subordination agrees to recognize Licensee and its rights hereunder and not to disturb Licensee upon any foreclosure under the mortgage, or eviction under the lease, covering the Site. Upon any foreclosure (or deed in lieu thereof) under such mortgage, or any eviction under such lease, Licensee agrees to attorn to the mortgagee, lessee or other purchaser of the Site (or such portion thereof). In furtherance of the foregoing, Licensee agrees, upon the request of such mortgagee or lessee, to enter into a recordable subordination, attornment, and non-disturbance agreement in form reasonably satisfactory to both Licensee and the mortgagee or lessee. Neither any present mortgagee or lessee nor any future mortgagee or lessee of all or any portion of the Site shall have any obligations under this Agreement unless such mortgagee or lessee shall actually become an owner of a fee or leasehold interest therein, and such obligations shall be limited to those accruing during the period of ownership of such mortgagee or lessee.

Section 45. –Confidentiality. The Parties, agree to keep confidential any information received pursuant to the terms of this Agreement and not to disclose such information to any other party unless such disclosure is required under applicable law.

Section 46. –Force Majeure. Any prevention, delay or stoppage of work to be performed by the Parties that is due to strikes, labor disputes, inability to obtain labor, materials, equipment or reasonable substitutes therefor, acts of God, governmental restrictions or regulations or controls, judicial orders, enemy or hostile government actions, civil commotion, fire or other casualty, or other causes beyond the reasonable control of the party obligated to perform hereunder, shall excuse performance of the work by that party for a period equal to the duration of that prevention, delay or stoppage.

Section 47. –Authorized Representatives. All actions, consents and approvals of Licensee under this Agreement shall be taken or given by the General Manager of the Department of Transportation of the City of Los Angeles. All actions, consents and approvals of Licensors under this Agreement shall be taken or given by Mark J. Weinstein, as President of MJW Investments 910 Los Angeles Street Management Co., Inc., the Manager managing member of the Licensors.

_____IN WITNESS WHEREOF, this Agreement has been duly executed b the Parties hereto as of the date first above written.

636 MAPLE AVENUE INTERMODAL
PARKING FACILITY, LLC, a California
Limited Liability Company

By MJW Investments

910 Los Angeles Street Management Co.,
Inc., a California corporation

By _____
By: _____

CITY OF LOS ANGELES, a municipal
corporation and charter city

_____By: _____
_____Wayne K. Tanda, General Manager,
Department of Transportation

APPROVED AS TO FORM AND LEGALITY:

ROCKARD J. DELGADILLO, CITY
ATTORNEY City Attorney

By _____
Margie Currier, Deputy Marilyn Garcia,
Assistant City Attorney

EXHIBIT A

DEFINITIONS

“*Abated Percentage of the Parking Facility*” means a percentage equal to the fraction of which the numerator is the number of Public Parking Spaces that are not available to the general public immediately after the Abatement Event and the denominator is equal to the total number of Public Parking Spaces available to the general public immediately prior to the Abatement Event.

“*Abatement Event*” means the destruction of, or material damage to, all or any portion of the Parking Facility and the Public Parking Spaces by fire, earthquake, riot, storm, war, or by any other casualty beyond the control of Licensor or Licensee so that any or all of the Public Parking Spaces are no longer available for use by the general public. An Abatement Event shall not include the failure of Licensor to properly maintain the Public Parking Spaces in accordance with this Agreement.

———“*Additional Loan Payments*” means all of the payments so designated and required to be made by the Borrower pursuant to a Supplemental Loan Agreement.

———“*Authority*” means the Industrial Development Authority of the City of Los Angeles, a public, corporate instrumentality of the State.

———“*Bond Insurer*” means ACA Financial Guaranty Corporation, a Maryland stock insurance company.

———“*Bond Documents*” means the Loan Agreement, the Indenture, the Tax Regulatory Agreement and the Empowerment Zone Facility Bond Compliance Agreement.

———“*Bonds*” means the Industrial Development Authority of the City of Los Angeles Empowerment Zone Facility Revenue Bonds, Series 2005 (Santee Court Parking Facility Project), dated September, 2005.

———“*BGIF Loan*” means the loan from the City to the Licensor in the amount of \$500,000 pursuant to the BGIF Loan Agreement.

———“*BGIF Loan Agreement*” means the Block Grant Investment Fund Agreement, dated as of _____, 2005, between the City and the Licensor.

———“*CDBG/UDAG Agreement*” means Agreement No. _____, dated as of _____, 2005, by and between the Licensee and the Licensor relating to application of certain funds of the Licensee for the Project.

———“*Certificate of Acceptance*” means the written notification from Licensee to Licensor and the Trustee evidencing Licensee’s acceptance of the Public Parking Spaces.

“City Parking Occupancy Tax” means the occupancy tax imposed by the City pursuant to Article 1.15 of Chapter II of the Los Angeles Municipal Code.

“Design/Build Agreement” means the _____ Design Build Agreement Between Owner and Design-Builder for the 636 Maple Avenue Multi-Modal Parking Structure, dated as of _____, by and between Licensor and Design/Builder providing for the design and construction of the Parking Facility by the Design/Builder.

“Design/Builder” means ARB, Inc., a California corporation.

_____ “Dispute Resolution Service” means JAMS or its successor or any other dispute resolution service agreed to by Licensor and Licensee.

“Empowerment Zone Facility Bond Compliance Agreement” means the Empowerment Zone Facility Bond Compliance Agreement, dated as of _____, September 1, 2005, by and among the Authority, the City and the Borrower, as such Empowerment Zone Compliance Agreement shall be amended from time to time.

_____ “Estimated Operating Costs” means the estimated costs reasonably expected to be paid or incurred by Licensor during each License Year in connection with operating, repairing, maintaining and replacing the Parking Facility, including the costs for the services and obligations imposed on Licensor in this Agreement.

“Governmental Authority” means any nation or government, any federal, state, local or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

“Grant and Loan Agreements” means the CDBG/UDAG Agreement, the _____.

_____ “Guarantee” means any obligation of Licensor guaranteeing in any manner, whether directly or indirectly, an obligation of any Person which would, if such Person were Licensor, constitute Indebtedness.

_____ “Hazardous Substances” means (a) any oil, flammable substance, explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances or any other wastes, materials or pollutants which (i) pose a hazard to the Premises or to persons on or about the Premises; or (ii) cause the Premises to be in violation of any Environmental Regulation; (b) asbestos in any form which is or could become friable, urea formaldehyde foam insulation, transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls, or radon gas; (c) any chemical, material or substance defined as or included in the definition of “waste,” “hazardous substances,” “hazardous wastes,” “hazardous materials,” “extremely hazardous waste,” “restricted hazardous waste,” or “toxic substances” or words of similar import under any Environmental Regulation including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), 42 USC §§ 9601 et seq.; the Resource Conservation and Recovery Act (“RCRA”), 42 USC §§ 6901 et seq.; the Hazardous Materials Transportation Act, 49 USC §§ 1801 et seq.; the Federal Water Pollution Control Act, 33 USC §§ 1251 et seq.; the California Hazardous Waste Control Law (“HWCL”), Cal. Health & Safety §§ 25100 et seq.; the Hazardous Substance Account Act

("HSAA"), Cal. Health & Safety Code §§ 25300 et seq.; the Underground Storage of Hazardous Substances Act, Cal. Health & Safety §§ 25280 et seq.; the Porter Cologne Water Quality Control Act (the "Porter Cologne Act"), Cal. Water Code §§ 13000 et seq., the Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65); and Title 22 of the California Code of Regulations, Division 4, Chapter 30; (d) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental authority or agency or may or could pose a hazard to the health and safety of the occupants of the Premises or the owners and/or occupants of property adjacent to or surrounding the Premises, or any other person coming upon the Premises or adjacent property; and (e) any other chemical, materials or substance which may or could pose a hazard to the environment.

"*Holidays*" means any day on which the office of the City of Los Angeles is closed for business.

"*Indebtedness*" means (a) any Guarantee, and (b) any indebtedness or obligation of Licensor (other than accounts payable and accruals), as determined in accordance with generally accepted accounting principles, including obligations under conditional sales contracts or other title retention contracts, rental obligations under leases which are considered capital leases under generally accepted accounting principles.

"*Indenture*" means the Indenture, dated as of ~~_____~~ September 1, 2005, between the Authority and the Trustee, as originally executed and as it may from time to time be supplemented, modified or amended in accordance with the terms thereof.

"Insurance Policy" means the bond insurance policy or policies issued by the Bond Insurer insuring the payment of the principal of and interest on the Bonds as provided therein.

"*Leasehold Estate*" means the rights granted to Licensor pursuant to the Ground Lease.

"*Letter of Credit*" means an irrevocable letter of credit issued by a financial institution with a branch in Los Angeles, California, acceptable to Licensee and the Bond Insurer.

"Letter of Credit Amount" an initial amount equal to one-half of the maximum annual debt service due on the Bonds \$950,000, which amount may be reduced in accordance with the terms and provisions of the Indenture.

"License Fees" means a monthly amount equal to the \$[total amount of 1/24th principal and 1/12th amount of interest due on next succeeding principal and interest payment dates for the Bonds]. \$30,000.

~~_____~~ "*License Year*" means the period commencing on January 1 following the Commencement Date and ending on the following December 31 and each calendar year thereafter until the Termination Date; provided, however, to the extent the Commencement Date does not occur on January 1, the period from the Commencement Date to the following December 31, and the period from January 1 to the Termination Date shall be deemed License Years.

“*Lien*” means any mortgage or pledge of, security interest in, or encumbrance on, the Parking Facility, the Leasehold Estate or the Revenues, excluding liens applicable to Parking Facility, the Leasehold Estate or the Revenues created in connection with the issuance of the Bonds.

———“*Loan Agreement*” means that certain loan agreement, dated as of ~~September~~ 1, 2005, by and between the Borrower and the Authority, as originally executed and as it may from time to time be supplemented, modified or amended in accordance with the terms thereof and of this Indenture.

———“*Master Indenture*” means the Master Trust Indenture, dated as of April 1, 1999, by and between the City and U.S. Bank Trust National Association (the predecessor to U.S. Bank National Association), as trustee (the “Trustee”), as supplemented by the First Supplemental Trust Indenture, dated as of April 1, 1999, by and between the City and the Trustee, the Second Supplemental Trust Indenture, dated as of February 1, 2003, by and between the City and the Trustee, as the same may be supplemented or amended.

———“*Operating Costs*” means any and all expenses paid or incurred by Licensor or on Licensor’s behalf, including, without limitation, Property Taxes, casualty insurance premiums, the City’s Parking Occupancy Tax and all other expenses relating to the management, repair, security, maintenance and operation of the Parking Facility; provided, however that the following costs and expenses shall be excluded from Operating Costs: any moneys for the operation, upkeep, repair, insurance or security of the MTA Component; repair, replacements and general maintenance paid by proceeds of insurance or by Licensee or other third parties; principal, interest, amortization or other payments on loans to Licensor; depreciation; leasing commissions; moving or relocation costs; income, inheritance and transfer taxes; the cost of repairing/restoring the Parking Facility if destroyed by casualty or affected by condemnation; costs incurred in selling any interest in the Parking Facility or the Parking Facility; costs of all goods and services for which Licensee or a third party directly reimburses Licensor; and costs for which Licensor is reimbursed by insurance or which are otherwise recovered or recoverable from third parties but not replacement of the Parking Facility.

———“*Operating Reserve Fund Requirement*” means an amount equal to ~~the average Estimated \$300,000 in the first complete License Year and for each subsequent License Year, an amount equal to the~~ Operating Costs for the Parking Facility for a three month period ~~calculated on the Commencement Date and each anniversary of the Commencement Date~~ preceding License Year.

“*Parking Facility Manager*” means a person or firm experienced in the management of commercial parking facilities selected by Licensor with the consent Licensee, which consent shall not be unreasonably withheld.

“*Parking Revenue Bonds*” means any evidence of indebtedness of the City issued under and in accordance with the provisions of Article II of the Master Indenture, including, but not limited to, bonds, notes, bond anticipation notes, commercial paper and other instruments creating an indebtedness of the City pursuant to the Master Indenture.

“*Person*” means an individual, corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

“*Project*” means the design, construction and installation of the Parking Facility.

“*Property Taxes*” means any taxes, assessments, levies, imposts, duties or other charges imposed by any government, political subdivision or taxing authority on the ownership or use of the Parking Facility.

“*Public Operating Hours*” means the days and hours during each week that the Parking Facility is open for use by the general public as established pursuant to Section 10(b) of this Agreement.

“*Public Parking Hours*” means the hours of 9:00 a.m. and 5:00 p.m., Monday through Saturday of each week during the Term of this Agreement.

“*Public Parking Spaces*” means ~~one hundred forty (140)~~ unassigned Parking Spaces in the Parking Facility during the Public Parking Hours.

“*Rebate Fund*” shall have the meaning set forth in the Indenture.

“*Release*” means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing, depositing or dispersing into the indoor or outdoor environment or into or out of the property, including, but not limited to, the movement of Hazardous Substances through or in the air, soil, surface water, groundwater or the property and the abandonment or discard of barrels, containers, and other open or closed receptacles containing any Hazardous Substances.

“*Remedial Action*” means actions related to (a) cleaning up, removing, treating or in any other way addressing Hazardous Substances in the indoor or outdoor environment; (b) preventing or minimizing the Release or threat of Release of Hazardous Substances so that Hazardous Substances do not migrate or endanger or threaten to endanger public health or welfare or the indoor or outdoor environment; and (c) collecting environmental data or performing pre remedial studies and investigations and performing operations and maintenance and postmeridian monitoring and care.

———“*Reputable Insurance Company*” means an insurance company with a claims paying rating by A.M. Best that is at least equal to the claims paying rating of those insurance companies which are generally acceptable to landlords owning, and institutional lenders holding security interests in, real properties which are similar to the Parking Facility with respect to type of construction, condition and age.

“*Requirement of Law*” means any federal, state or local statute, ordinance, rule or regulation, any judicial or administrative order (whether or not on consent), request or judgment, any common law doctrine or theory, and any provision or condition of any permit or other binding determination of any Governmental Authority.

“*Reserve Fund*” shall have the meaning set forth in the Indenture.

“*Reserve Fund Requirement*” shall have the meaning set forth in the Indenture.

“*Residential Development*” means the residential development located at undertaken by the Residential Development Developer, an entity related to the Licensor.

“*Residential Development Tenants*” means individuals residing at the Residential Development.

“*Residential Development Developer*” means MJW Investments, Inc., or any successor thereto.

“*Revenues*” for any period including and subsequent to the Commencement Date means, all moneys, fees, rates, receipts, rentals, licensing fees, charges, issues and income received for, received by or derived from, Licensor, the operation of Licensor or the Parking Facility or any other source whatsoever, including, without limitation, insurance proceeds or condemnation awards, and all rights to receive the same, whether in the form of accounts, accounts receivable, contract rights or other rights and the proceeds of the same whether now owned or held or hereafter coming into being, all computed in accordance with GAAP in a manner consistently applied.

“*Security Costs*” means the following costs incurred by Licensor in the performance of its Security Obligations:— (1~~a~~) the costs of maintenance, repair and replacement of security equipment, including, without limitation, motor vehicles, cameras, alarms systems, monitors, speakers, radios and other communication devices in the Parking Facility, which costs shall include any lease payments for such equipment; (2~~b~~) the costs of utility services necessary for the operation of security equipment; and (3~~c~~) the costs of employing on-site security personnel, including, without limitation, wages, salary, benefits, vacation, overtime, payroll taxes and training for patrol officers and supervisory personnel as Licensor determines in its reasonable discretion, to be sufficient to provide security consistent with other similarly situated parking structures in the City. Security Costs shall not include any costs (A~~i~~) which are capital in nature unless approved in advance by Licensee, which approval shall not be unreasonably withheld or delayed, and which approval shall be deemed given if the Licensee fails to disapprove any submission related to security within ~~twenty~~ (20) business days after request therefore; (B~~ii~~) related to the provision of security on the MTA Component; (C~~iii~~) any fee or profit to Licensor in the performance of its Security Obligations; and (D~~iv~~) the costs of the initial acquisition and installation of security equipment in the Parking Facility.

“*Security Obligations*” means those duties and responsibilities of Licensor with respect to the level of security to be maintained at the Parking Facility set forth in Section 10(m).

“*Special Parking Revenue Fund*” means the fund of that name established pursuant to City Ordinance No. 143,157 effective May 4, 1972, as amended by City Ordinance No. 172,281,

effective December 14, 1998, and codified in Section 5.117 of the Los Angeles Administrative Code.

“*State*” means the State of California.

———“*Supplemental Indenture*” means any indenture hereafter duly authorized and entered into between the Authority and the Trustee, supplementing, modifying or amending the Indenture; but only if and to the extent that such Supplemental Indenture is specifically authorized under this Indenture.

“*Supplemental Loan Agreement*” means any loan hereafter duly authorized and entered into between the Authority and the Borrower, supplementing, modifying or amending the Loan Agreement; but only if and to the extent that such Loan Agreement is specifically authorized under the Loan Agreement and this Indenture.

“*Tax Agreement*” means the Tax Regulatory Agreement, dated as of September 1, 2005, by and among the Licensee, the Authority and the Trustee, as amended from time to time in connection with the issuance of the Series 2005 Bonds.

———“*Trustee*” means ~~a state banking corporation or~~ Wells Fargo Bank, National Association, a national ~~banking~~ bank association and any successor ~~thereto named~~ appointed as Trustee under the Indenture ~~pursuant to which the Bonds are issued and delivered.~~

EXHIBIT B

DESCRIPTION OF PROPERTY

Description of Property

EXHIBIT C

**CERTIFICATION OF COMPLIANCE WITH
CHILD SUPPORT OBLIGATIONS**

Certification of Compliance with Child Support Obligations

The undersigned 636 Maple Avenue Intermodal Parking Structure, LLC (the "Company") in connection with the Parking License Agreement, dated as of September _____, 2005, by and between the Company and the City of Los Angeles hereby agrees that it will:

1. Fully comply with all applicable State and federal employment reporting requirements for its employees.

2. Fully comply with and implement all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment.

3. Certify that the principal owner(s) of the business/the Borrower are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally.

4. Certify that the business/Borrower will maintain such compliance throughout the term of the contract.

5. This certification is a material representation of fact upon which reliance was placed when the parties entered into this transaction.

City/County/State: Los Angeles, County of Los Angeles, California

Date: September _____, 2005

Name of Business: 636 Maple Avenue Intermodal Parking Structure, LLC

Address: Suite 303,
910 South Los Angeles Street
Los Angeles, CA 90015

Telephone Number: (213) 623-8873

By _____
Signature of Authorized Officer or
Representative

EXHIBIT D

**CERTIFICATION OF COMPLIANCE WITH
THE AMERICANS WITH DISABILITIES ACT**

Certification of Compliance with the Americans with Disabilities Act

1. 2. 3.

**636 Maple Avenue Intermodal Parking Structure LLC
Financial Analysis**



**DEVELOPER
636 Maple Avenue Intermodal Parking Structure LLC**

**636 Maple Avenue Intermodal Parking Structure LLC
Development Cost Summary (Preliminary) Addendum A**



Total parking Spaces 420

<u>Item</u>	<u>Cost</u>	<u>\$/Unit</u>
Land Acquisition		
Up-Front Lease Payment to MTA	\$ 600,000	\$1,429
Bond Costs		
Gross Bond Insurance Premium (570.0 bp)	\$ 1,020,815	\$2,431
Deposit to Debt Service Reserve Fund (DSRF)	\$ 799,601	\$1,904
Deposit to Capitalized Interest (CIF) Fund	\$ 688,285	\$1,639
Original Issue Discount	\$ 113,970	
Total Underwriter's Discount (2.00%)	\$ 204,700	\$487
Deposit to Construction Operating Reserve	\$ 257,500	\$613
Costs of Issuance		
Financial Advisor	\$ 66,528	\$158
Issuer Fee	\$ 25,588	\$61
State Fee	\$ 30,705	\$73
Placement Agent	\$ 179,113	\$426
Bond Counsel	\$ 15,789	\$38
Underwriter's Counsel	\$ 75,000	\$179
Borrower's Counsel	\$ 40,000	\$95
ACA Outside Counsel Fee	\$ 50,000	\$119
Trustee Origination	\$ 5,000	\$12
POS/Official Statement	\$ 5,000	\$12
Miscellaneous	\$ 5,000	\$12
Hard Costs (Please see Schedule of Values for Detail)	\$ 8,128,649	\$19,354
Solar Panels (EZ Bond & 7th Street Grant)	\$ 150,000	\$357
Soft Costs		
Architect and Design Fees	\$ 227,000	\$540
Permits and Plan Check Fees ¹	\$ 97,000	\$231
Engineering Fees ²	\$ 187,750	\$447
Legal Fees	\$ 204,211	\$486
Developer's Predevelopment Costs	\$ 300,000	\$714
Construction Management Fee	\$ 90,000	\$214
City Compliance Monitoring Fee	\$ 121,000	\$288
City Administration Fees	\$ 70,000	\$167
Bureau of Engineering Fees	\$ 70,000	\$167
Rounding	\$ 2,513	\$6
Subtotal Soft Costs	<u>\$ 1,369,474</u>	<u>\$ 3,261</u>
TOTAL PROJECT COSTS	<u>\$ 13,830,716</u>	<u>\$32,930</u>

1. Permits include Division 1 01410, Scheduling/Outside, Building Permits, Plan Checks Fees, Street/Sidewalk Permits
2. Engineering Fees include Division 1 01000, Project Engineer and Division 1 01410 Testing and Inspection

Modified 8/9/2005

636 Maple Avenue Intermodal Parking Structure LLC

Sources and Uses

Revised as of 8-9-2005

Project Component	TOTAL PROJECT COST	BONDS	DEVELOPER CASH CONT	PUBLIC FUNDING						TOTAL FUNDING
				Interest Earning	UDAG Grant	7th Street Grant	SBA Grant	BGIF Loan	Total	
Land Acquisition										
Up-Front Lease Payment to MTA	600,000		25,000						575,000	600,000
Bond Costs										
Gross Bond Insurance Premium (570.0 bp)	1,020,815	-			1,020,815					1,020,815
Deposit to Debt Service Reserve Fund (DSRF)	799,601	799,601								799,601
Deposit to Capitalized Interest (CIF) Fund	688,285	688,285								688,285
Original Issue Discount	113,970	113,970								113,970
Total Underwriter's Discount (2.00%)	204,700	202,421						2,279		204,700
Deposit to Construction Operating Reserve	257,500	257,500								257,500
Costs of Issuance										
Financial Advisor	66,528							66,528	66,528	66,528
Issuer Fee	25,588							25,588	25,588	25,588
State Fee	30,705							30,705	30,705	30,705
Placement Agent	179,113							179,113	179,113	179,113
Bond Counsel	15,789							15,789	15,789	15,789
Underwriter's Counsel	75,000							75,000	75,000	75,000
Borrower's Counsel	40,000							40,000	40,000	40,000
ACA Outside Counsl	50,000							50,000	50,000	50,000
Trustee Origination	5,000							5,000	5,000	5,000
POS/Official Statement	5,000							5,000	5,000	5,000
Miscellaneous	5,000							5,000	5,000	5,000
Hard Costs										
Construction Costs	8,128,649	7,221,098	306,000	122,366	479,185				601,551	8,128,649
Solar Panels	150,000	100,500				49,500			49,500	150,000
Soft Costs										
Architect and Design Fees	227,000	227,000								227,000
Permits and Plan Check Fees	97,000	44,361						52,639		97,000
Engineering Fees	187,750	187,750								187,750
Legal Fees	204,211								204,211	204,211
Developer's Predevelopment Costs	300,000	300,000								300,000
Construction Management Fee	90,000	90,000								90,000
City Compliance Monitoring Fee	121,000								121,000	121,000
City Administration Fees	70,000								70,000	70,000
Bureau of Engineering Fees	70,000								70,000	70,000
Rounding	2,513	2,513								2,513
	\$ 13,830,716	\$ 10,235,000.00	\$ 331,000	\$ 122,366	\$ 1,500,000	\$ 49,500	\$ 1,092,850	\$ 500,001	\$ 2,241,623	\$ 13,830,717

636 Maple Avenue Intermodal Parking Structure, LLC Explanation of Funding Sources

<u>Grants</u>	<u>Description</u>	<u>Amount</u>	<u>Source of Repayment</u>
SBA Grant	A line-item in the Federal budget specifically allocated to this project. Designed to encourage economic development and job creation.	\$ 1,092,850	No repayment required
UDAG	UDAG: City of Los Angeles grant funds allocated at the discretion of the City Council and the Mayor	\$ 1,500,000	Service Payback
Seventh Street Grant	City of Los Angeles grant fund allocated at the discretion of the City Council and the Mayor	\$ 49,500	No repayment required
 <u>City Funds</u>			
BGIF	BGIF: City of Los Angeles grant fund allocated at the discretion of the City Council and the Mayor	\$ 500,000	20-year loan amortized over 18 years, 2 years interest only, 5% interest
 <u>Interest Earnings</u>			
Interest Earnings	Interest Earnings on Project Construction Fund	\$ 122,366	No repayment required
 <u>Developer Cash Contributions</u>			
Developer Cash Contribution	Developer Cash Contribution	\$ 331,000	Developer Cash Contribution
 <u>Bonds Secured by Revenue from Project</u>			
Empowerment Zone Bonds	These Empowerment Zone Facility Bonds will be issued by the City of Los Angeles Industrial Development Authority	\$ 10,235,000	Project revenues (Bond amount may vary depending on on interest reserve, capitalized interest and cost of issuance.)
TOTAL SOURCES		<u>\$ 13,830,716</u>	

636 Maple Avenue Intermodal Parking Structure LLC

Preliminary Operating Expenses

	Total	Per Space
Payroll	\$ 83,193	\$ 197
Security/Night time attendant	\$ 28,470	\$ 67
Management Fee	\$ 24,000	\$ 55
Utilities	\$ 20,240	\$ 47
Telephone	\$ 3,000	\$ 6
Insurance	\$ 10,000	\$ 9
Uniforms	\$ 1,000	\$ 5
Cleaning Supplies	\$ 3,000	\$ 10
Tickets	\$ 1,000	\$ 3
Routine Maintenance	\$ 2,000	\$ 13
Sweeping Contracts	\$ 4,000	\$ 7
Power Scrub	\$ 3,000	\$ 10
Major Maintenance Sinking Fund	\$ 4,000	\$ 4
Parking Equipment Maintenance	\$ 6,000	\$ 16
Elevator Maintenance	\$ 5,000	\$ 20
Parking Equipment Amortization	\$ 8,000	\$ 32
TOTAL	\$ 205,903	\$ 501

Allowances

Elevator Maintenance (years 1-6)	\$ 5,000
Sweeping Contracts (years 1-2)	\$ 3,000
Landscape (years 1-3)	\$ 4,000

Property Taxes

Total Years (1-2)	\$ 243,903
Total Years (3-4)	\$ 246,903
Total Years (4-6)	\$ 250,903
Total Years (6-30)	\$ 255,903

NOTES

Exceptions to Walker Study and Shuttle Service:

1. Assumes one cashier present 18-hours a day, 360 days a year
2. Living Wage of \$10.03, Burden rate of 28%
3. Security will double as night time attendant
4. Security/Attendant works 8-hours a day, 360 days a year
5. Security is outsourced at \$13.00 an hour, includes burden
6. Assumes MTA to contribute to Sinking Fund \$1000 annually
8. Deducts Construction Allowances as follows:
 - a. \$5000 Elevator Maintenance year 1-6
 - b. \$4000 Landscape and Irrigation year 1-3
 - c. \$3000 Sweeping Contract year 1-2
9. Total Shuttle Service of \$115523

SHUTTLE FUEL AND MAINTENANCE COSTS

Hours of Operation 5PM to 9AM
 Round trip Distance 1.2 Miles
 20 minutes per trip including stops
 3.6 miles traveled per hour
 \$1.20 per mile for fuel and maintenance
 Total Miles traveled per day = (3.6mi/hr * 16hr)=57.6 miles
 Total Miles traveled per year = (57.6/mi * 360/days)=20736 miles
 Total annual fuel and maintenance costs \$24883

636 Maple Avenue Intermodal Parking Structure LLC

Preliminary Shuttle Expenses

ANNUAL SHUTTLE COSTS

Payroll	\$ 80,640
Insurance	\$ 10,000
Fuel and Maintenance	\$ 24,883

TOTAL \$ 115,523

	Phase 1 Share	Phase 2 Share	Santee Permits	636 Maple Share	Total
Year One (2006)	\$ 20,160	\$ 24,768	\$ -	\$ 70,595	\$ 115,523
Year Two (2007)	\$ 25,200	\$ 30,960	\$ 11,340	\$ 48,023	\$ 115,523

1. Assumes \$56,000 allowance is used for 5 year lease of shuttle
2. Annual Shuttle lease is estimated at \$12,000

ANNUAL LABOR

Labor outsourced at \$14.00 an hour
 16 hours a day, 360 hours a year

ADDITIONAL INSURANCE

\$10000 annual (Outsourced labor carries insurance)

SANTEE COURT PHASE COMPLETION & CONTRIBUTIONS

Santee Court Phase 1 Complete 140 Permits
 \$2100 per month (\$15 per month per permit)
 Santee Court Phase 2 October 2006 172 Permits
 \$2580 per month (\$15 per month per permit)
 Unassigned permits from Santee Court 63 permits
 \$945 per month (\$15 per month)

636 Maple Avenue Intermodal Parking Structure LLC

Bond Debt Schedule

Page One

Year	Date	Principal	Coupon	Interest	Total P+I	DSR	CIF	Net New D/S	FISCAL TOTAL
	9/28/2005	-	-	-	-	-	-	-	-
1	4/01/2006	-	-	254,401.14	254,401.14	-	(254,401.14)	-	-
	10/01/2006	-	-	250,230.63	250,230.63	-	(250,230.63)	-	-
2	4/01/2007	-	-	250,230.63	250,230.63	-	(250,230.63)	-	-
	10/01/2007	-	-	250,230.63	250,230.63	(13,993.02)	-	236,237.61	236,237.61
3	4/01/2008	-	-	250,230.63	250,230.63	(13,993.02)	-	236,237.61	-
	10/01/2008	295,000.00	4.000%	250,230.63	545,230.63	(13,993.02)	-	531,237.61	767,475.22
4	4/01/2009	-	-	244,330.63	244,330.63	(13,993.02)	-	230,337.61	-
	10/01/2009	310,000.00	4.200%	244,330.63	554,330.63	(13,993.02)	-	540,337.61	770,675.22
5	4/01/2010	-	-	237,820.63	237,820.63	(13,993.02)	-	223,827.61	-
	10/01/2010	320,000.00	4.300%	237,820.63	557,820.63	(13,993.02)	-	543,827.61	767,655.22
6	4/01/2011	-	-	230,940.63	230,940.63	(13,993.02)	-	216,947.61	-
	10/01/2011	335,000.00	4.400%	230,940.63	565,940.63	(13,993.02)	-	551,947.61	768,895.22
7	4/01/2012	-	-	223,570.63	223,570.63	(13,993.02)	-	209,577.61	-
	10/01/2012	350,000.00	4.500%	223,570.63	573,570.63	(13,993.02)	-	559,577.61	769,155.22
8	4/01/2013	-	-	215,695.63	215,695.63	(13,993.02)	-	201,702.61	-
	10/01/2013	365,000.00	4.600%	215,695.63	580,695.63	(13,993.02)	-	566,702.61	768,405.22
9	4/01/2014	-	-	207,300.63	207,300.63	(13,993.02)	-	193,307.61	-
	10/01/2014	385,000.00	4.700%	207,300.63	592,300.63	(13,993.02)	-	578,307.61	771,615.22
10	4/01/2015	-	-	198,253.13	198,253.13	(13,993.02)	-	184,260.11	-
	10/01/2015	400,000.00	4.800%	198,253.13	598,253.13	(13,993.02)	-	584,260.11	768,520.22
11	4/01/2016	-	-	188,653.13	188,653.13	(13,993.02)	-	174,660.11	-
	10/01/2016	420,000.00	4.875%	188,653.13	608,653.13	(13,993.02)	-	594,660.11	769,320.22
12	4/01/2017	-	-	178,415.63	178,415.63	(13,993.02)	-	164,422.61	-
	10/01/2017	440,000.00	4.875%	178,415.63	618,415.63	(13,993.02)	-	604,422.61	768,845.22
13	4/01/2018	-	-	167,690.63	167,690.63	(13,993.02)	-	153,697.61	-
	10/01/2018	460,000.00	4.875%	167,690.63	627,690.63	(13,993.02)	-	613,697.61	767,395.22
14	4/01/2019	-	-	156,478.13	156,478.13	(13,993.02)	-	142,485.11	-
	10/01/2019	485,000.00	4.875%	156,478.13	641,478.13	(13,993.02)	-	627,485.11	769,970.22
15	4/01/2020	-	-	144,656.25	144,656.25	(13,993.02)	-	130,663.23	-
	10/01/2020	510,000.00	4.875%	144,656.25	654,656.25	(13,993.02)	-	640,663.23	771,326.46
16	4/01/2021	-	-	132,225.00	132,225.00	(13,993.02)	-	118,231.98	-
	10/01/2021	535,000.00	5.125%	132,225.00	667,225.00	(13,993.02)	-	653,231.98	771,463.96
17	4/01/2022	-	-	118,515.63	118,515.63	(13,993.02)	-	104,522.61	-
	10/01/2022	560,000.00	5.125%	118,515.63	678,515.63	(13,993.02)	-	664,522.61	769,045.22
18	4/01/2023	-	-	104,165.63	104,165.63	(13,993.02)	-	90,172.61	-
	10/01/2023	590,000.00	5.125%	104,165.63	694,165.63	(13,993.02)	-	680,172.61	770,345.22
19	4/01/2024	-	-	89,046.88	89,046.88	(13,993.02)	-	75,053.86	-
	10/01/2024	620,000.00	5.125%	89,046.88	709,046.88	(13,993.02)	-	695,053.86	770,107.72
20	4/01/2025	-	-	73,159.38	73,159.38	(13,993.02)	-	59,166.36	-
	10/01/2025	650,000.00	5.125%	73,159.38	723,159.38	(13,993.02)	-	709,166.36	768,332.72
21	4/01/2026	-	-	56,503.13	56,503.13	(13,993.02)	-	42,510.11	-
	10/01/2026	685,000.00	5.125%	56,503.13	741,503.13	(13,993.02)	-	727,510.11	770,020.22
22	4/01/2027	-	-	38,950.00	38,950.00	(13,993.02)	-	24,956.98	-
	10/01/2027	1,520,000.00	5.125%	38,950.00	1,558,950.00	(813,594.28)	-	745,355.72	770,312.70
		10,235,000.00		7,518,296.95	17,753,296.95	(1,373,315.08)	(754,862.40)	15,625,119.47	15,625,119.47

Modified 8/9/2005

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Proforma 636 Maple Avenue Intermodal Parking LLC 8-19-053; Bond Debt Service

636 Maple Ave Intermodal Parking Structure 30-Year Revenue/Expense Projection Report

YEAR	Estimated Gross Revenue							Estimated Operating Expenses & Annual Debt Service			Other Non-Operating Expenses/Contract Obligations				Impact on Special Reserve Parking Fund (SPRF)			MATF Operating Reserve Fund		
	Tenant and Day Time Monthly Revenue (assume 3% annual raise after year 3)	Public Parking (Transient) Revenue (assumes 3% annual chg/raise after year 3)	Total Gross Parking Revenue	Parking Occupancy Tax (10% of Gross Parking Rev)	Total Net Gross Parking Revenue	Lease Pymt from SPRF for 140 spaces	Interest Maple Ave Trust Reserve Oper'g Fund	Total Net Gross Revenue	Estimated Operating Expenses (assume 3% annual inflation starting year 3)	Full Bond Payment - \$10.02 Mil EZ Bonds	Total Estimated Operating Expenses & Debt Service	Net Revenue	To MATF Operating Reserve Fund	Revenue Reimb to SPRF for 140 spaces	Revenue Reimb to Blk Grant Inv Fund (BGIF) Loan of \$500,000	Final Net Revenue (aft Oth Non-op & Cont Oblig's)	Cumulative ACA Debt Service Reserve Fund (Year 1-2 only)		50% profit sharing back to SPRF	net to SPRF (considering \$360,000 payment + 50% profit sharing)
1	301,352	210,407	511,760	(51,176)	460,584	360,000	-	820,584	314,498	-	314,498	506,086	297,765	-	-	208,321	208,321	-	-	297,765
2	435,236	315,945	751,181	(75,118)	676,063	360,000	5,955	1,042,018	297,765	236,238	534,002	508,016	3,060	-	-	504,956	504,956	-	-	300,825
3	511,839	387,417	899,256	(89,926)	809,330	360,000	6,016	1,175,347	300,825	767,475	1,068,300	107,047	7,069	456,616	-	-	-	-	456,616	307,894
4	537,431	406,788	944,219	(94,422)	849,797	360,000	6,158	1,215,955	307,894	770,675	1,078,569	137,386	9,237	484,787	-	-	-	-	484,787	317,131
5	556,241	421,025	977,266	(97,727)	879,540	360,000	6,343	1,245,882	317,131	767,655	1,084,786	161,096	9,514	104,524	47,058	-	-	-	104,524	326,645
6	572,928	433,656	1,006,584	(100,658)	905,926	360,000	6,533	1,272,469	326,645	768,895	1,095,540	176,919	22,159	107,702	47,058	-	-	-	107,702	348,804
7	590,116	446,666	1,036,782	(103,678)	933,104	360,000	6,976	1,300,080	348,804	769,155	1,117,959	182,121	10,464	124,598	47,058	-	-	-	124,598	359,266
8	607,820	460,066	1,067,886	(106,789)	961,097	360,000	7,185	1,328,282	359,268	768,405	1,127,673	200,609	10,778	142,773	47,058	-	-	-	142,773	370
9	626,054	473,868	1,099,922	(109,992)	989,930	360,000	7,401	1,357,331	370,046	771,615	1,141,661	215,669	11,101	157,510	47,058	-	-	-	157,510	381,141
10	644,836	488,084	1,132,919	(113,292)	1,019,627	360,000	7,623	1,387,250	381,147	768,520	1,149,668	237,583	11,434	179,090	47,058	-	-	-	179,090	392,582
11	664,181	502,726	1,166,907	(116,691)	1,050,216	360,000	7,852	1,418,068	392,582	769,320	1,161,902	256,166	11,777	197,330	47,058	-	-	-	197,330	404,359
12	684,106	517,808	1,201,914	(120,191)	1,081,723	360,000	8,087	1,449,810	404,359	768,845	1,173,204	276,605	12,131	217,417	47,058	-	-	-	217,417	416,490
13	704,629	533,342	1,237,972	(123,797)	1,114,174	360,000	8,330	1,482,504	416,490	767,395	1,183,885	298,619	12,495	239,066	47,058	-	-	-	239,066	428,985
14	725,768	549,342	1,275,111	(127,511)	1,147,600	360,000	8,580	1,516,179	428,985	769,970	1,198,955	317,224	12,870	257,297	47,058	-	-	-	257,297	441,854
15	747,541	565,823	1,313,364	(131,336)	1,182,028	360,000	8,837	1,550,865	441,854	771,326	1,213,181	337,684	13,256	277,370	47,058	-	-	-	277,370	455,110
16	769,968	582,797	1,352,765	(135,277)	1,217,489	360,000	9,102	1,586,591	455,110	771,464	1,226,574	360,017	13,653	299,306	47,058	-	-	-	299,306	468,763
17	793,067	600,281	1,393,348	(139,335)	1,254,013	360,000	9,375	1,623,388	468,763	769,045	1,237,808	385,580	14,063	324,459	47,058	-	-	-	324,459	482,826
18	816,859	618,290	1,435,148	(143,515)	1,291,634	360,000	9,657	1,661,290	482,826	770,345	1,253,171	408,119	14,485	346,576	47,058	-	-	-	346,576	497,311
19	841,364	636,838	1,478,203	(147,820)	1,330,383	360,000	9,946	1,700,329	497,311	770,108	1,267,419	432,910	14,919	370,933	47,058	-	-	-	370,933	512,230
20	866,605	655,944	1,522,549	(152,255)	1,370,294	360,000	10,245	1,740,539	512,230	768,333	1,280,563	459,976	15,367	397,551	47,058	-	-	-	397,551	527,597
21	892,604	675,622	1,568,225	(156,823)	1,411,403	360,000	10,552	1,782,955	527,597	770,020	1,297,617	124,337	-	77,279	47,058	-	-	-	77,279	527,597
22	919,382	695,891	1,615,272	(161,527)	1,453,745	360,000	10,869	1,826,644	543,425	770,313	1,313,738	150,559	-	103,501	47,058	-	-	-	103,501	527,597
23	946,963	716,767	1,663,730	(166,373)	1,497,357	360,000	11,196	1,872,553	559,728	-	559,728	948,181	-	901,123	47,058	-	-	-	901,123	527,597
24	975,372	738,270	1,713,642	(171,364)	1,542,278	360,000	11,533	1,920,811	576,520	-	576,520	976,310	-	819,252	157,058	-	-	-	819,252	527,597
25	1,004,633	760,418	1,765,052	(176,505)	1,588,546	360,000	11,880	1,971,426	593,815	-	593,815	1,005,283	-	613,937	-	391,346	-	195,673	809,610	527,597
26	1,034,772	783,231	1,818,003	(181,800)	1,636,203	360,000	12,237	2,024,440	611,630	-	611,630	1,035,125	-	-	-	1,035,125	-	517,563	517,563	527,597
27	1,065,815	806,728	1,872,543	(187,254)	1,685,289	360,000	12,603	2,080,892	629,979	-	629,979	1,065,862	-	-	-	1,065,862	-	532,931	532,931	527,597
28	1,097,790	830,930	1,928,719	(192,872)	1,735,848	360,000	12,978	2,142,826	648,878	-	648,878	1,097,522	-	-	-	1,097,522	-	548,761	548,761	527,597
29	1,130,723	855,858	1,986,581	(198,658)	1,787,923	360,000	13,363	2,209,286	668,344	-	668,344	1,130,131	-	-	-	1,130,131	-	565,065	565,065	527,597
30	1,164,645	881,533	2,046,178	(204,618)	1,841,561	360,000	13,758	2,281,319	688,395	-	688,395	1,163,718	-	-	-	1,163,718	-	581,859	581,859	527,597
	23,230,642	17,552,360	40,783,002	(4,078,300)	36,704,701	7,200,000	255,720	44,160,422	13,872,841	15,625,119	29,497,961	14,156,375	527,597	7,200,000	1,051,160	6,596,981	713,277	3,205,650	10,405,651	

Notes:

1. Year one income at 66% of capacity for monthly and 63% transient
2. Year two income at 86% of capacity for monthly and 86% for transient
3. Year three income at 100% capacity and 10% increase in prices
4. Year one expenses include larger portion of Shuttle cost per Santee Court Phase absorption
5. Year one through five receives \$14400 annual deduction from operational expenses via construction allowances inflation of expenses included
6. Year seven expense includes renewal of shuttle lease at \$12000 per year

ARB Structures Inc
636 Maple Avenue Schedule of Values

		<u>Labor</u>	<u>Materials</u>	<u>Equip/Other</u>	<u>Total Price</u>	<u>Percentage</u>
Division 1	General Conditions					
	01000 General Conditions					
	Project Administration					
	Project Manager	54,000.00			54,000.00	0.62%
	Assistant Superintendent	104,000.00			104,000.00	1.19%
	Project Engineer	60,000.00			60,000.00	0.68%
	Watchman	36,000.00			36,000.00	0.41%
	Car Allowance			32,400.00	32,400.00	0.37%
	Gas and Oil		4,500.00		4,500.00	0.05%
	Head Office Support					
	Preconstruction Manager	9,000.00			9,000.00	0.10%
	Safety Administrator	4,800.00			4,800.00	0.05%
	Tech Support	10,000.00			10,000.00	0.11%
	Project Controls	13,600.00	2,720.00		16,320.00	0.19%
	Safety and Travel					
	Safety Supplies		900.00		900.00	0.01%
	Safety Incentive Program		2,000.00		2,000.00	0.02%
	Job Gas and Oil		6,750.00		6,750.00	0.08%
	Employee Parking		15,588.00		15,588.00	0.18%
	Space Rental for Adjacent Property		16,000.00		16,000.00	0.18%
	Project Supplies					
	Office Equipment			3,000.00	3,000.00	0.03%
	Data Wiring Allowance			3,000.00	3,000.00	0.03%
	Misc Supplies		1,800.00		1,800.00	0.02%
	Copier/fax/Paper			2,700.00	2,700.00	0.03%
	Janitorial Service	3,400.00			3,400.00	0.04%
	Extra Plans		5,000.00		5,000.00	0.06%
	Project Supplies Cont.					
	Misc Printing		1,000.00		1,000.00	0.01%
	Job Photos		4,500.00		4,500.00	0.05%
	Postage/UPS		2,700.00		2,700.00	0.03%
	Drinking Water/Ice		1,350.00		1,350.00	0.02%
	Temporary Installations					
	Construction Offices		4,500.00		4,500.00	0.05%
	Mobilization/Demob		6,000.00		6,000.00	0.07%
	Temporary Toilets		7,200.00		7,200.00	0.08%
	Project Signs		500.00		500.00	0.01%
	Signage to direct traffic		2,000.00		2,000.00	0.02%
	Sheds/Buildings		2,250.00		2,250.00	0.03%
	Temp Power/Lights		15,000.00		15,000.00	0.17%
	120 KW Generator		5,000.00		5,000.00	0.06%
	Electric Service		2,000.00		2,000.00	0.02%
	Electrical Usage		6,750.00		6,750.00	0.08%
	Water Service		1,000.00		1,000.00	0.01%
	Temp Water Line		2,000.00		2,000.00	0.02%
	Water Usage		4,500.00		4,500.00	0.05%
	Telephone including Cell		9,000.00		9,000.00	0.10%
	Telephone installation		500.00		500.00	0.01%
	Mock Up		5,000.00		5,000.00	0.06%
	SWPPP		10,000.00		10,000.00	0.11%
	Non-productive Work					
	Flagman	28,160.00			28,160.00	0.32%
	Traffic Control	15,000.00			15,000.00	0.17%

ARB Structures Inc
636 Maple Avenue Schedule of Values

		Labor	Materials	Equip/Other	Total Price	Percentage
Division 1	General Conditions					
	Clean Up					
	Punch List Correction	15,000.00			15,000.00	0.17%
	Continuous Clean Up	15,763.00			15,763.00	0.18%
	Final Clean Up	647.00			647.00	0.01%
	Trash Removal			24,650.00	24,650.00	0.28%
01000	Design Fees			227,000.00	227,000.00	2.59%
01020	Allowances					
	Elevator Maintenance			30,000.00	30,000.00	0.34%
	Landscape			12,000.00	12,000.00	0.14%
	Sweeper Cleaning			6,000.00	6,000.00	0.07%
	Shuttle Bus			56,000.00	56,000.00	0.64%
	PV Allowance			150,000.00	150,000.00	1.71%
01410	Testing and Inspection	117,750.00		10,000.00	127,750.00	1.46%
	Scheduling/Outside	25,000.00			25,000.00	0.29%
	Building Permits			20,000.00	20,000.00	0.23%
	Plan Check Fees			50,000.00	50,000.00	0.57%
	Street/Sidewalk Permits			2,000.00	2,000.00	0.02%
01500	Temp Controls					
	Pedestrian Canopy (Setup)			4,000.00	4,000.00	0.05%
	Pedestrian Canopy (Rental)			20,250.00	20,250.00	0.23%
Division 2	Site Work					
02110	Demolition	20,000.00	4,750.00	20,000.00	44,750.00	0.51%
02225	Earthwork	20,000.00	6,000.00	21,789.00	47,789.00	0.55%
	Engineered Shoring	10,000.00	10,000.00	5,000.00	25,000.00	0.29%
	Surveying	9,000.00	1,000.00		10,000.00	0.11%
	Certified Grading Pad				included	
	Foundation Footing Excavation				included	
02511	AC Paving	8,000.00	9,000.00	10,420.00	27,420.00	0.31%
02521	Site Concrete	15,000.00	15,000.00	4,629.00	34,629.00	0.40%
	Remove/Replace Sidewalks				included	
	Driveway Approaches				included	
	DWP Transformer				included	
02522	Textured Asphaltic Concrete Paving				In Site Concrete	
02660	Water Distribution				included	
02720	Storm Drain Hookup for Wall Street				included	
02730	Sewer Connection and Lateral				included	
02810	Irrigation	5,000.00	5,000.00	5,000.00	15,000.00	0.17%
02900	Landscape	5,000.00	5,000.00	5,000.00	15,000.00	0.17%
Division 3	Concrete					
03100	Formwork	1,279,945.00	894,245.00	648,566.00	2,822,756.00	32.22%
	Concrete and Concrete Finishes				included	
	Building Concrete Frame				included	
03200	Reinforcing Steel	394,715.00	719,024.00	9,145.00	1,122,884.00	12.82%
03365	Post Tension Steel				In Rebar	
Division 4	Masonry					
04220	Masonry	100,000.00	100,000.00	35,023.00	235,023.00	2.68%
	CMU infill walls 10/12/2004 clarificaiton	63,270.00	63,270.00	22,160.00	148,700.00	1.70%
	Full Height Walls on Deck				included	
Division 5	Metals					
05500	Miscellaneous Metals	108,500.00	95,000.00	26,500.00	230,000.00	2.63%
	Steel Stairs and Embeds				included	
	Bollards				included	

ARB Structures Inc
636 Maple Avenue Schedule of Values

		Labor	Materials	Equip/Other	Total Price	Percentage
Division 1	General Conditions					
	Barriers Railings/Cable				See Alternate 3	
	Security Fencing (Ground/Second level)	15,000.00	10,000.00	3,224.00	28,224.00	0.32%
Division 6	Carpentry					
	06410 Architectural Millwork			6,500.00	6,500.00	0.07%
	MTA Cabinetry				included	
	2nd Level Parking Mgmt Office				included	
Division 7	Moisture Protection					
	07120 Waterproofing	11,350.00	13,750.00		25,100.00	0.29%
	Below Grade Waterproofing				included	
	07540 Elastomeric Deck Coating				included	
	07900 Caulking and Sealant				10,000.00	
	07600 Sheet Metal	8,300.00	7,950.00	500.00	16,750.00	0.19%
Division 8	Door and Windows					
	08100 Hollow Metal Doors and Frames	5,000.00	19,495.00		24,495.00	0.28%
	08335 Overhead Coiling Grills	2,500.00	12,658.00		15,158.00	0.17%
	08700 Finish Hardware				In HM Doors	
	08800 Glass and Glazing	2,000.00	4,953.00		6,953.00	0.08%
Division 9	Finishes					
	09111 Suspended Ceiling				1,500.00	
	Metal Framing and Furring				In Stucco	
	Office Core Area				In Stucco	
	2nd Level Office				In Stucco	
	09203 Stucco	90,700.00	64,300.00	10,000.00	165,000.00	1.88%
	09310 Ceramic Tile	4,750.00	2,670.00	40,000.00	47,420.00	0.54%
	09650 Flooring			3,000.00	3,000.00	0.03%
	MTA Office Area				included	
	2nd Level Office				included	
	Detectable Surface Metal			500.00	500.00	0.01%
	09680 Carpet			3,000.00	3,000.00	0.03%
	09860 Graffiti Resistant Coating				Included in Paint	
	09870 Steel Coating System				Included in Paint	
	Two Exit Stairs				Included in Paint	
	Remaining Metals				Included in Paint	
	09900 Painting	94,050.00	31,350.00	7,300.00	132,700.00	1.51%
	Interior Complete				Included in Paint	
	Exterior Complete				Included in Paint	
	09910 Striping	4,879.00	3,000.00		7,879.00	0.09%
	09985 Sanitary Wall Panels				See Tile	
Division 10	Specialties					
	10162 Metal Toilet Partitions			7,041.00	7,041.00	0.08%
	10410 Non-Illuminated Signage	8,485.00	27,854.00	38,661.00	75,000.00	0.86%
	Code Requirement				included	
	Clearance at Entries				included	
	Directional Package				included	
	Security				included	
	10420 Illuminated Signage				Included in Signage	
	10500 Lockers			8,000.00	8,000.00	0.09%
	10544 Fire Extinguishers and Cabinets			3,500.00	3,500.00	0.04%
	Bus Facility and Office				included	
	2nd Level Office				included	
	10800 Toilet Accessories			5,000.00	5,000.00	0.06%
	MTA Office				Included	

ARB Structures Inc
636 Maple Avenue Schedule of Values

		<u>Labor</u>	<u>Materials</u>	<u>Equip/Other</u>	<u>Total Price</u>	<u>Percentage</u>
Division 1	General Conditions					
	2nd Level Office				Included	
Division 11	Equipment					
	11150 Parking Control Equipment	5,470.00	56,905.00	1,000.00	63,375.00	0.72%
Division 12	Furnishings					
	12510 Louver Blinds			2,000.00	2,000.00	0.02%
	Bus Facility and Office				included	
	2nd Level Office				included	
Division 13	N/A					
Division 14	Conveying System					
	14215 Elevator	54,179.00	85,545.00	2,851.00	142,575.00	1.63%
Division 15	Mechanical					
	15300 Fire System	48,933.00	46,263.00	15,566.00	110,762.00	1.26%
	Bus Facility and Office				included	
	2nd Level Office				included	
	Fire Sprinkler 1st Level 10/12/04 clarification	34,000.00	32,115.00	10,775.00	76,890.00	0.88%
	15400 Plumbing	68,238.00	43,500.00	5,000.00	116,738.00	1.33%
	Bus Facility and Office				included	
	2nd Level Office				included	
	15500 Mechanical	49,000.00	23,950.00	15,000.00	87,950.00	1.00%
	Ventilation Bus Parking Area 10/12/04 clarification	14,685.00	8,015.00	4,000.00	26,700.00	0.30%
	Bus Facility and Office				included	
	2nd Level Office				included	
Division 16	Electrical					
	16040 Electrical	161,989.00	448,261.00	-	610,250.00	6.97%
	Explosion Proof Fixtures / Bus Areas				included	
	MTA Bus and Office Area				included	
	Parking Structure				included	
	Security Equipment					
	MTA Bus and Office				included	
	Parking Structure				included	
	Overhead and Profit				579,522.00	6.61%
	Payment/Performance Bond 10/12/04 clarification				85,618.00	0.98%
	Builders Risk Insurance 10/12/04 clarificaiton				37,000.00	0.42%
	Additional costs added 7/2005				121,574.00	1.39%
	City Compliance Monitoring Fee				121,000.00	1.38%
	John Felts clarification 4/5/2005				(104,547.00)	-1.19%
	Total Bid Price	3,234,058.00	3,017,831.00	1,658,650.00	8,761,399.00	99.87%

636 Maple Avenue Intermodal Parking Structure, LLC
Preliminary Income Projections

MJW DRAFT

HYPOTHETICAL OPERATION SCENARIOS AT THE NEWLY PROPOSED
SANTEE COURT INTERMODAL PARKING STRUCTURE

Scenario - Estimated Revenue Generation for All 420 spaces:

Developer's 280 spaces - Operations and Estimated Revenue

Variables	Details
Hours Available to Tenants	Attendant present 24 hours a day.
Suggested Rates	Suggested monthly permits - nighttime and daytime - at \$90 each
Tot # spaces for tenants	85% utilization projected from Tenants: 420 spaces available to the tenants - 280 spaces available on a 24/7 basis and 140 spaces available from 5 pm - 9 am Mon - Sat.

ESTIMATED NIGHTTIME USAGE AND REVENUE GENERATED			
Estimated Usage Pattern		Estimated Revenue	
Estimated Daily Usage	Hourly Rate	Estimated Monthly Rev	Estimated Yrly
375	\$90.00	\$33,750.00	\$405,000.00

Total Estimated Yrly Net Rev from Tenant Monthlies

\$405,000.00

DOT's 140 spaces - Operations and Estimated Revenue

Variables	Details
Hours of Operation	9:00 am to 5:00 pm, Monday - Saturday (8 hours daily)
Suggested Rates	\$1.25 per hour with maximum of 3 hours. \$5.00 Flat Rate
Tot # DOT spaces	140 parking spaces available to the transient parker; 83.0% utilization of all 420 parking spaces during the day

ESTIMATED TRANSIENT USAGE AND REVENUE GENERATED - Monday thru Friday						
Estimated Daily Usage Pattern			Estimated Revenue			
Estimated Daily Usage	Daily Hourly Rate	Hourly Increments	Estimated Daily Revenue	No. of Days	Estimated Weekly Revenue	Estimated Annual Revenue
19	\$1.25	1 st hr	\$23.75	6	\$142.50	
70	\$2.50	2 nd hr	\$175.00	6	\$1,050.00	
20	\$3.75	3 rd hr	\$75.00	6	\$450.00	
110	\$5.00	Flat rate - Wkdy	\$550.00	5	\$2,750.00	
145	\$7.00	Flat rate - Wkend	\$1,015.00	2	\$2,030.00	
Estimated Gross Revenue			\$1,565.00		\$6,422.50	\$333,980.00

ESTIMATED DAYTIME [ONLY] MONTHLY USAGE AND REVENUE GENERATED			
Estimated Usage Pattern		Estimated Revenue	
Estimated Daily Usage	Hourly Rate	Estimated Monthly Rev	Estimated Yrly
51	\$90.00	\$4,590.00	\$55,080.00
Estimated Net Revenue from Monthly Permits		\$4,590.00	\$55,080.00

Total Estim Yrly Net Rev from DOT Transient & Monthlies

\$389,060.00

TOTAL COMBINED DEVELOPER/DOT NET REVENUE

\$794,060.00

Assumptions:

1. Santee Court residents will absorb 375 monthly permits
2. 50% of Santee Court residents with monthly permits vacate spaces during the day
3. 230 total spaces available during daytime
4. 140 spaces reserved for for transient parking
5. 51 daytime permits for local employees

BOARD REPORT
DEPARTMENT OF TRANSPORTATION

#21

Council District 9

DATE: October 14, 2004

TO: Board of Transportation Commissioners

SUBJECT: AUTHORITY TO NEGOTIATE AND EXECUTE PARKING AGREEMENT WITH THE DEVELOPER TO LEASE A PORTION OF THE PARKING SPACES IN NEW MIXED USE PARKING FACILITY, 636 MAPLE AVENUE INTERMODAL PARKING STRUCTURE

On August 26, 2004, staff presented to your Board a preliminary project description for the 636 Maple Avenue Intermodal Parking Structure. The new 636 Maple Avenue Multi-Modal Parking Structure will be a privately constructed seven-story parking facility with 420 parking spaces. The City, through SPRF funds, will lease 140 spaces (approximately 1/3 of the total parking spaces) to provide public parking during designated hours as specified in the Parking Licensing Agreement with the Developer. The parking structure is to be built on MTA land that is currently utilized for bus layover and maintenance.

RECOMMENDATIONS:

That your Board:

- a. APPROVE and AUTHORIZE the General Manager to enter into a Parking Licensing Agreement with 636 Maple Avenue Multi-Modal Parking Structure, LLC, (a subsidiary of MJW Investments, the Developer) to lease 140 parking spaces for public usage for a term of 30 years; and
- b. APPROVE and AUTHORIZE the General Manager to use monies from the Special Parking Revenue Fund to make annual payments to the Developer to lease the 140 parking spaces for use by the public during specified hours of operation as described in the Parking Licensing Agreement.

INITIATED BY:

At the meeting on August 26, 2004, the Board requested that additional information and clarification be submitted from staff regarding the Parking Licensing Agreement and the cost projection report that was presented. Specifically, you had requested that:

- The Parking Licensing Agreement include language that clearly states the City's role in establishing and approving rates and public hours of operation.
- The cost projections be revised to reflect more realistic usage and revenue

generation based upon an independent utilization and parking study.

DISCUSSION:

Pursuant to your Board's direction, DOT staff met with the other members of the City's team on this project (Developer - MJW Investments, CLA, CDD, City Attorney and bond counsel) to discuss the Board's concerns. Key changes reflected in the attached revised Parking Licensing Agreement Attachment A and 30-Year Cost Projection (Attachment B) include:

1. In the Parking Licensing Agreement:

- a) The Licensor/Developer shall make available to the public no less than 140 spaces during the 'Public Parking Hours' of 9:00 a.m. to 5:00 p.m., Monday through Saturday (Section 3). This is the minimum standard pursuant to the lease agreement.

Additionally, the Licensor/Developer and the Licensee/City agree to periodically review and, as needed, negotiate the 'Public Operating Hours' in the garage. The "Public Operating Hours" may exceed the number of hours and times specified in Section 3. Such negotiated changes to the 'Public Operating Hours' must be mutually agreed upon in writing prior to implementation. Licensor shall post signage in and around the garage advertising hours of operation (Section 10b).

- b) The Licensor/Developer will establish the rates and the Licensee/City will approve the rates. Further, such parking rates may be revised periodically with the written consent of the Licensee/City. The Licensor shall comply with Section 103.202 of the L.A.M.C. with respect to the garage's operation. (Section 10d).

As a last minute agreement, the developer has agreed to include new language to Section 10d (not in attached draft) acknowledging that the Board of Transportation Commissioners will settle any disputes between the DOT staff and the Licensor/Developer regarding the establishment of daily rates, as part of an appeal process, and that the Licensor and DOT will be bound by the Board's decision.

2. In the 30-Year Cost Projection:

- a) The Developer's revenue and expense projections were similar to those prepared by DOT staff. They projected that: (1) the SPRF would start receiving reimbursement on the lease payments by Year 4 (staff had projected by Year 6); and (2) SPRF could earn \$3.6 million above the initial \$6.1 million investment over the 30-year term (staff had projected \$5.6 million in earnings above the initial \$6.1 million investment).

- b) The Developer used information from a parking study conducted by a 3rd Party Consultant - Walker Parking Consultants, dated June 2003 (Attachment C), when developing their projected usage and revenues. The Walker parking study independently analyzed usage and rates of existing and neighboring off-street parking lots near the site of the proposed 636 Maple Ave parking structure.

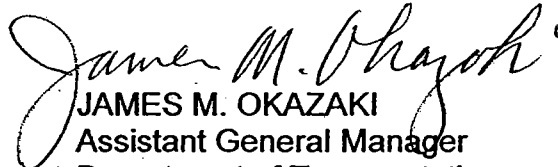
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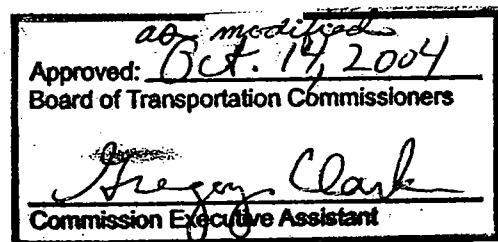

ALLYN D. RIFKIN
Principal Transportation Engineer
Bureau of Planning and Land Use
Development

ADR:RFW:rfw

Attachments

Approved by:


JAMES M. OKAZAKI
Assistant General Manager
Department of Transportation



Commissioner Recht moved, seconded by Commissioner Ochoa for the approval of the report with modifications to the recommendations and clarification of the ambiguous language contained in Section 3 of Attachment A. The Board unanimously adopted the motion. The modifications are as follows:

1. A recitation setting forth the authority of the Transportation Commission to approve the expenditure of Special Parking Revenue Funds (SPRF);
2. The ambiguity of the language of the parking license agreement in Section 3, Public Parking Spaces, is eliminated in order to allow LADOT to require that the public spaces become available for public parking;
3. The inclusion of a final Walker report, which is addressed and submitted to LADOT that evidences economics viability of the project to repay to the SPRF funds advanced from the SPRF in accordance with the earlier projections, provided to the Transportation Commission.
4. Certain technical changes previously suggested by the President of the Commission as approved by the City Attorney.

ATTACHMENT A (DRAFT October 6, 2004)

PARKING LICENSE AGREEMENT

by and between

636 MAPLE AVENUE INTERMODAL PARKING FACILITY, LLC,
as Licensor

and

CITY OF LOS ANGELES,
as Licensee

Dated as of _____, 2004

PARKING LICENSE AGREEMENT

This **PARKING LICENSE AGREEMENT** (this "Agreement") is made and entered into as of _____, 2004, by and between **636 MAPLE AVENUE INTERMODAL PARKING FACILITY, LLC**, a California limited liability company (with its successors and assigns, hereinafter referred to as "Licensor") and the **CITY OF LOS ANGELES**, a municipal corporation and charter city of the State of California (with its successors and assigns, hereinafter referred to as "Licensee," and together with Licensor, the "Parties") (capitalized terms not otherwise defined herein shall have the meanings set forth in Exhibit A of this Agreement).

RECITALS

WHEREAS, Licensor has entered into a Ground Lease, dated as of _____, 2004 (the "Ground Lease"), with the Los Angeles County Metropolitan Transportation Authority (the "MTA") with respect to that certain real property located in the City of Los Angeles, California more particularly described in Exhibit B attached hereto (the "Site");

WHEREAS, Licensor has entered into a Development Agreement, dated as of _____, 2004 (the "Development Agreement"), with the MTA pursuant to which Licensor has agreed to construct on the Site a multi-level commercial parking facility (the "Parking Facility") consisting of ten bus staging spaces on the first floor of the Parking Facility and approximately 420 parking spaces on floors two through seven of the Parking Facility (the "Parking Spaces");

WHEREAS, pursuant to the Development Agreement and the Ground Lease, the MTA will retain the exclusive right to use first floor of the Parking Facility for bus staging subject to the conditions contained in this Agreement (the "MTA Component");

WHEREAS, Licensee desires to provide additional off-street public parking in and around the Parking Facility to better serve local businesses and promote economic development in the City of Los Angeles (the "City") and has agreed to assist Licensor in the development and operation of the Parking Facility in return for a license allowing the general public to use not less than one hundred forty (140) Parking Spaces in the Parking Facility in accordance with the terms of this Agreement.

WHEREAS, Licensor desires to grant to Licensee a license (the "License") to use not less than one hundred forty (140) unassigned Parking Spaces in the Parking Facility (the "Public Parking Spaces") for use by the general public, upon the terms and conditions set forth in this Agreement.

WHEREAS, in exchange for the License, Licensee has agreed to make a payment to Licensor from the City's Special Parking Revenue Fund, established pursuant to Section 5.117 of the Administrative Code of the City (the "Special Parking Revenue Fund"), in accordance with the terms and provisions set forth herein.

NOW, THEREFORE, for and in consideration of the foregoing, the promises and mutual covenants set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

Section 1. Representations, Covenants and Warranties of Licensee. Licensee represents, covenants and warrants to Licensor as follows:

(a) ***Due Organization and Existence.*** Licensee is a municipal corporation and charter city of the State, duly organized and validly operating as such under the Constitution and laws of the State.

(b) ***Authorization, Enforceability.*** The Constitution and laws of the State authorize Licensee to enter into this Agreement and to enter into the transactions contemplated by and to carry out its obligations under this Agreement, and Licensee has duly authorized the execution and delivery of this Agreement. This Agreement constitutes a legal, valid and binding obligation of Licensee, enforceable in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles affecting the rights of creditors generally.

(c) ***No Violations.*** None of the execution and delivery of this Agreement, the fulfillment of or compliance with the terms and conditions hereof, or the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which Licensee is now a party or by which Licensee is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any prohibited lien, charge or encumbrance whatsoever upon any of the property or assets of Licensee.

(d) ***Execution and Delivery.*** Licensee has taken all actions required to authorize and execute this Agreement in accordance with its Charter, the Constitution and laws of the State and all acts, conditions and things required by its Charter, the Constitution and statutes of the State to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery by Licensee of this Agreement, do exist, have happened and have been performed in due time, form and manner as required by law.

Section 2. Representation, Covenants and Warranties of Licensor. Licensor represents, covenants and warrants to Licensee as follows:

(a) ***Due Organization and Existence; Authorization, Enforceability.*** Licensor is a limited liability company duly organized, existing and in good standing under and by virtue of the laws of the State, and has the full power to enter into this Agreement and to enter into the transactions contemplated by and to carry out its obligations under this Agreement; is possessed of full power to own and hold real and personal property, and to license the same; and Licensor has duly authorized the execution and delivery of this Agreement. This Agreement constitutes a legal, valid and binding obligation of Licensor, enforceable in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles affecting the rights of creditors generally.

(b) **No Violations.** None of the execution and delivery of this Agreement, the fulfillment of or compliance with the terms and conditions hereof, or the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions or provisions of the Articles of Incorporation or Bylaws of Licensor or provisions of any restriction or any agreement or instrument to which Licensor is now a party or by which Licensor is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any prohibited lien, charge or encumbrance whatsoever upon any of the property or assets of Licensor.

(c) **Execution and Delivery.** Licensor has taken all actions required to authorize and execute this Agreement in accordance with the Operating Agreement of Licensor and laws of the State and all acts, conditions and things required by the Operating Agreement of Licensor and laws of the State to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery by Licensor of this Agreement, do exist, have happened and have been performed in due time, form and manner as required by the Operating Agreement of Licensor and by law.

Section 3. Public Parking Spaces. Upon and subject to the terms and conditions contained herein, Licensor hereby grants, transfers and conveys to Licensee, the License, and Licensee hereby takes and accepts from Licensor, the License. Licensor shall make available to the general public the Public Parking Spaces on a first-come, first-served basis during the hours of 9:00 a.m. and 5:00 p.m., Monday through Saturday of each week during the Term of this Agreement (the "Public Parking Hours"). All Public Parking Spaces shall be unreserved as to the general public. To the extent that utilization of the Parking Facility by the Residential Development Tenants and invitees and guests of the Residential Development Tenants on a monthly basis results in unavailability of the Public Parking Spaces for use by the general public during the Public Parking Hours, Licensor shall, within twenty-four (24) hours of receipt of oral onsite notification, subsequently confirmed in writing, from Licensee that such unavailability exists, take immediate action to rescind the monthly pass parking privileges of such number of the Residential Development Tenants and invitees and guests of the Residential Development Tenants to ensure the availability of the Public Parking Spaces during the Public Parking Hours. Licensee and the general public are hereby granted full rights of ingress and egress to the Parking Facility for the purpose of utilizing the Public Parking Spaces during the Public Parking Hours.

Section 4. Term. The term of this Agreement (the "Term") shall commence following the (a) receipt by Licensor of a certificate of occupancy from the City for the Parking Facility and (b) date the Parking Facility is continuously open for public parking (the "Commencement Date") and shall continue for a period of thirty (30) years from the Commencement Date, at which time this Agreement shall terminate and be of no further force and effect (the "Termination Date"); provided, however, that the Termination Date shall be automatically extended until such date as Licensee has been fully reimbursed for all Licensee Fees paid under this Agreement pursuant to Section 13(b)(iv) and Licensor has repaid the BGIF Loan in its entirety pursuant to Section 13(b)(v). On the Commencement Date, Licensee shall deliver to Licensor and the Trustee a Certificate of Acceptance.

Section 5. Parking Facility Construction. Licensor has retained the Design/Builder to undertake the design and construction of the Parking Facility.

(a) **Conceptual Drawings and Plan Specifications.** Licensor has submitted, or caused to be submitted by the Design/Builder, to Licensee a set of conceptual design plans (the "Conceptual Drawings and Outline Specifications") for the Parking Facility. Licensee has reviewed and approved the Conceptual Drawings and Outline Specifications for the Parking Facility for purposes of this Agreement. Licensee's review and approval of each of the Conceptual Drawings and Outline Specifications, the Schematic Drawings, the Design Development Drawings or Working Drawings (each as defined below) is solely for the purpose of ensuring that the Parking Facility achieves Licensee's objective of making available the Public Parking Spaces to the general public and shall in no way be construed to imply that Licensee has determined that such drawings are accurate, adequate or complete or, that such drawings satisfy the City's requirements for the design and construction of the Parking Facility. All such approvals must be obtained from the City's Department of Building and Safety.

(b) **Schematic Design Drawings.** Within thirty (30) days of the issuance of the Bonds by the Authority, Licensor shall cause the Design/Builder (a) to prepare schematic design drawings (the "Schematic Drawings") for the Parking Facility and (b) deliver such Schematic Drawings to Licensee for review by Licensee. Licensee shall notify Licensor in writing of any comments it has with respect to the Schematic Drawings within thirty (30) days of the receipt of the Schematic Drawings; provided, however, that such written comments shall not be inconsistent with the approved Conceptual Drawings and Outline Specifications. In the event Licensor objects to Licensee's comments, Licensor shall notify Licensee of such objections in writing within seven (7) days of the receipt of such written comments. Licensor and Licensee shall meet within five (5) days of the delivery of Licensor's written objections to resolve the conflict by negotiation. If Licensor and Licensee are unable to negotiate a resolution to any dispute concerning Licensee's written comments within ten (10) days of the delivery of Licensor's written objections, Licensee and Licensor shall submit the dispute to a mediator pursuant to Section 31 in an attempt to resolve the dispute. In the absence of any dispute with respect to Licensee's written comments or upon the settlement of any dispute with respect to Licensee's written comments, Licensor shall cause the Design/Builder to effect such revisions and deliver revised Schematic Drawings to Licensee within twenty-one (21) days of the receipt of the written comments from Licensee. Licensee shall provide written notice to Licensor of its approval of the revised Schematic Drawings no later than ten (10) days following the receipt of the revised Schematic Drawings. Licensor and Licensee hereby agree that Licensee's failure to deliver written notice of its approval of the revised Schematic Drawings within the time provided in this Agreement shall be deemed approval by Licensee of the Schematic Drawings. Once the Schematic Drawings are approved or deemed approved, the Schematic Drawings shall be the controlling document as to any inconsistency between the Schematic Drawings and the Conceptual Drawings and Outline Specifications.

(c) **Design Development Drawings.** Within thirty (30) days of the approval or deemed approval by Licensee of the Schematic Drawings, Licensor shall cause the Design/Builder to (a) prepare a set of design development drawings for the Parking Facility (the "Design Development Drawings") and (b) deliver such Design Development Drawings to Licensee for review by the Licensee. Said Design Development Drawings

shall be prepared in strict accordance with the approved Conceptual Drawings and Outline Specifications and the approved Schematic Drawings. Licensee shall notify Licensor in writing of any comments it has with respect to the Design Development Drawings within twenty-one (21) days of the receipt of the Design Development Drawings; provided, however, that such written comments shall not be inconsistent with the approved Conceptual Drawings and Outline Specifications and the approved Schematic Drawings. In the event Licensor objects to Licensee's comments, Licensor shall notify Licensee of such objections in writing within seven (7) days of the receipt of such written comments. Licensor and Licensee shall meet within five (5) days of the delivery of Licensor's written objections to resolve the conflict by negotiation. If Licensor and Licensee are unable to negotiate a resolution to any dispute concerning Licensee's written comments within ten (10) days of the delivery of Licensor's written objections, Licensee and Licensor shall submit the dispute to a mediator pursuant to Section 31 in an attempt to resolve the dispute through mediation. In the absence of any dispute with respect to Licensee's written comments or upon the settlement of any dispute with respect to Licensee's written comments, Licensor shall cause the Design/Builder to effect such revisions and deliver revised Design Development Drawings to Licensee within twenty-one (21) days of the receipt of the written comments from Licensee or the conclusion of the dispute. Licensee shall provide written notice to Licensor of its approval of the revised Design Development Drawings no later than ten (10) days following the receipt of the revised Design Development Drawings. Licensor and Licensee hereby agree that Licensee's failure to deliver written notice of its approval of the revised Design Development Drawings within the time provided in this Agreement shall be deemed approval by Licensee of the Design Development Drawings. Once the Design Development Drawings are approved or deemed approved, the Design Development Drawings shall be the controlling document as to any inconsistency between the Design Development Drawings and the Schematic Drawings and the Conceptual Drawings and Outline Specifications.

(d) *Working Drawings.* Within forty-five (45) days of the approval or deemed approval by Licensee of the Design Development Drawings, Licensor shall cause the Design/Builder to (a) prepare detailed working drawings and specifications for the Parking Facility (the "Working Drawings") and (b) deliver such Working Drawings to Licensee for review by the Licensee. Said Working Drawings shall be prepared in strict accordance with the approved Conceptual Drawings and Outline Specifications, the approved Schematic Drawings and the approved Design Development Drawings. Licensee shall notify Licensor in writing of any comments it has with respect to the Working Drawings within thirty (30) days of the receipt of the Working Drawings; provided, however, that such written comments shall not be inconsistent with the approved Conceptual Drawings and Outline Specifications, the approved Schematic Drawings and the approved Design Development Drawings. In the event Licensor objects to Licensee's comments, Licensor shall notify Licensee of such objections in writing within seven (7) days of the receipt of such written comments. Licensor and Licensee shall meet within five (5) days of the delivery of Licensor's written objections to resolve the conflict by negotiation. If Licensor and Licensee are unable to negotiate a resolution to any dispute concerning Licensee's written comments within ten (10) days of the delivery of Licensor's written objections, Licensee and Licensor shall submit the

dispute to mediation pursuant to Section 31. In the absence of any dispute with respect to Licensee's written comments or upon the settlement of any dispute with respect to Licensee's written comments, Licensor shall cause the Design/Builder to effect such revisions and deliver revised Working Drawings to Licensee within twenty-one (21) days of the receipt of the written comments from Licensee or the conclusion of the dispute. Licensee shall provide written notice to Licensor of its approval of the revised Working Drawings no later than ten (10) days following the receipt of the revised Working Drawings. Licensor and Licensee hereby agree that Licensee's failure to deliver written notice of its approval of the revised Working Drawings within the time provided in this Agreement shall be deemed approval by Licensee of the Working Drawings. Once the Working Drawings are approved or deemed approved, the Working Drawings shall be the controlling document as to any inconsistency between the Working Drawings and the Design Development Drawings, the Schematic Drawings and the Conceptual Drawings and Outline Specifications.

(e) **Approval by Licensee.** All approvals by Licensee required pursuant to this Section 5 shall be given by the City Architect or a duly authorized employee of Licensee designated in writing by the City Architect.

(f) **Compliance with Other Agreements.** Notwithstanding anything herein to the contrary, Licensor shall comply with the terms and provisions of the Grant and Loan Agreements in all aspects of the Project.

(g) **Compliance with Law.** The construction of the Parking Facility shall be in compliance with each Requirement of Law. In particular, the Parking Facility shall contain the applicable number of compact and regular parking spaces and include the requisite number of handicapped spaces in accordance with all Requirements of Law.

Section 6. Use. The Public Parking Spaces shall be used solely for the purpose of parking general public paratransit vehicles, motorcycles, paratransit vehicles, passenger vehicles (except housecars), pickup trucks, station wagons and vanpool vehicles, as all are defined in the California Vehicle Code, and any other vehicles required by law (collectively, the "Permitted Vehicles"). Licensee shall not use the Public Parking Spaces for any other purposes without the prior written consent of Licensor, which consent shall not be unreasonably withheld. Licensee shall comply with all laws, ordinances, rules, and regulations pertaining to Licensee's use of the Public Parking Spaces. This Agreement is not intended as, and shall not be construed to be, a permanent dedication to the public for use of the Public Parking Spaces.

Section 7. Entry Location. Licensee shall have the right to monitor the number of Parking Spaces actually being used as Public Parking Spaces from time to time, and Licensee reserves the right, but has no obligation, to implement a system to monitor entrance into the Parking Facility and the location of the Permitted Vehicles parked therein. Licensor agrees to cooperate with Licensee in monitoring the entrance and location of the Permitted Vehicles in the Parking Facility to ensure Licensor's compliance with the terms hereof.

Section 8. License Fees. Subject to the provisions of Section 9 below relating to the abatement of the License Fees due hereunder, commencing on the Commencement Date and

continuing for twenty (20) years thereafter, Licensee shall pay to Licensor, without prior notice, offset, deduction, claim, invoice or demand, the License Fees for the use of the Public Parking Spaces, which License Fees shall be due and payable to Licensor on the first day of each month while the Bonds are outstanding. No License Fees or other compensation shall be due for the final ten (10) years of the Term and any extension of the Term pursuant to Section 4 and Licensee shall continue to have and to hold the License granted pursuant to this Agreement. The License Fees shall not be deemed delinquent and Licensee shall not be in default hereunder so long as the License Fees are paid by the fifth (5th) day of the month in which such License Fees is due. If the Commencement Date occurs on a date other than the first day of a month, Licensee agrees to pay Licensor on the Commencement Date License Fees prorated based on the number of days remaining in the month in which the Commencement Date occurs. If any date on which the License Fees are due under this Agreement is not a Business Day, such payment shall be due on the next succeeding Business Day. Licensee and Licensor hereby agree that Licensee shall remit all License Fees directly to the Trustee.

In the event that, with the prior written consent of Licensee, the Bonds are refunded to achieve savings in the interest paid on the Bonds, the amount of License Fees due hereunder shall be adjusted to an amount equal to $1/24^{\text{th}}$ of the principal and $1/12^{\text{th}}$ of the interest coming due on the next succeeding principal and interest payment dates with respect to the refunding bonds; provided, however, unless otherwise specifically agreed to by Licensee, Licensee's obligation to pay the License Fees shall not be modified or extended.

Licensee's obligation to pay the License Fees shall be a special limited obligation of Licensee payable solely from Parking Revenues (as defined in the Master Indenture) on deposit in the Special Parking Revenue Fund. Licensee's obligation to pay the License Fees from Parking Revenues pursuant to this Agreement shall be junior and subordinate to the lien on and security interest in the Parking Revenues and other assets of the Special Parking Revenue Fund granted to secure the Parking Revenue Bonds issued pursuant to the Master Indenture.

Section 9. Abatement. Following an Abatement Event, Licensor shall, subject to the following sentence, diligently proceed to repair or replace the Public Parking Spaces to as nearly as possible the condition existing prior to the happening of the casualty. To the extent an Abatement Event causes all of the Public Parking Spaces to be rendered unusable, all License Fees shall cease as of the date of the Abatement Event and no further License Fees shall accrue until all of the Public Parking Spaces are again available for use by the general public; provided, however, that to the extent that some of the Public Parking Spaces are subsequently restored to useable condition and are available for use by the general public, Licensee shall pay the License Fees with respect to such restored and available Public Parking Spaces in the Parking Facility. In the event that only a portion of the Public Parking Spaces is rendered unavailable, Licensee shall be entitled to a Proportionate Abatement of the License Fees due under this Agreement. Licensor and Licensee hereby agree that the determination of whether all or any portion of the Public Parking Spaces are available for the use following an Abatement Event shall be made by the Department of Building and Safety of the City of Los Angeles or such other department or agency of the City of Los Angeles responsible for determining availability for use of the Public Parking Spaces in a manner similar to that which is employed in determining whether similar public structures are available for use and evidenced by the issuance or continuing validity of a certificate of occupancy for the Parking Facility, which determination shall be binding upon the

parties hereto. In the event the City of Los Angeles or its departments and agencies are unable to make a determination of the availability of the Public Parking Spaces for use within thirty (30) days after the filing of a request for such determination by Licensor or Licensee, any other public agency with building code enforcement capability with respect to the Parking Facility may make such a determination, which determination shall be binding upon the parties hereto. Licensor shall apply for all necessary permits and commence the repair and restoration of the Public Parking Spaces within 120 days of the Abatement Event; *provided, however*, that such period shall be extended if Licensor is prevented from commencing the repair and restoration of the Public Parking Spaces as a result of a force majeure event as provided in Section 46. Commencement of the repair and restoration shall require (a) notification of the appropriate insurance company (or companies) and (b) the placing of the necessary work order(s) and/or contract(s) for obtaining the labor and materials to accomplish the repair and restoration. Licensor will be responsible for securing the area to prevent injury to persons and/or vandalism to the Public Parking Spaces; the actual costs for said activities shall be reimbursed to Licensor from any insurance proceeds permitted to be so expended. If Licensor should fail thereafter to pursue said repair and restoration work with reasonable diligence to completion, Licensee may give Licensor thirty (30) days' prior written notice and thereafter perform or cause to be performed the restoration work and require the Trustee to reimburse the cost thereof in excess of the insurance proceeds used for such repair and restoration from the Operating Reserve Fund and the Maple Avenue Parking Fund.

In the event Licensor commences the repair and restoration, any proceeds of insurance deposited with Licensee or the Trustee shall be paid out to Licensor or its contractor in accordance with the progress of the repair and restoration. Any insurance proceeds in excess of the amount required to restore the Parking Facility and the Public Parking Spaces to a useable condition shall be deposited into the Operating Reserve Fund and applied in accordance with the provisions governing such Operating Reserve Fund. In the event Licensor refuses to commence the repair and restoration of the Parking Facility and the Public Parking Spaces and Licensee elects not to undertake such repair and restoration of the Parking Facility and the Public Parking Spaces, then any proceeds of insurance deposited with the Trustee or Licensee shall be applied to the prepayment of the outstanding Bonds and the Licensee shall be entitled to an Abatement of the License Fees due under this Agreement depending on the Public Parking Spaces available after such prepayment.

Section 10. Management and Operation of Parking Facility. Except as otherwise provided in this Agreement, Licensor shall be solely responsible for the management and operation of the Parking Facility and shall make all necessary repairs and improvements to the Parking Facility in a timely manner. With the written consent of Licensee, which consent shall not be unreasonably withheld or delayed, and subject to the requirements contained in the Bond Documents, Licensor may appoint a Parking Facility Manager to undertake the operation and maintenance of the Parking Facility. Licensor and Licensee hereby agree that Licensee's failure to deliver written notice of its approval or disapproval of the Parking Facility Manager to Licensor within fourteen (14) days of notification by Licensor shall be deemed approval by Licensee of the proposed Parking Facility Manager. All costs incurred in the management and operation of the Parking Facility, including performance of the maintenance services set forth in Section 11, shall be deemed Operating Costs.

(a) **Maintenance Standard.** The Parking Facility shall be operated and maintained by Licensor in a manner consistent with a safe and clean parking structure which upholds quality standards comparable to those used in other similarly situated parking structures in the City. Licensor shall be responsible for and perform all maintenance services set forth in Section 11 below.

(b) **Public Operating Hours.** Prior to the Commencement Date, Licensor shall establish and provide to Licensee, Public Operating Hours for the Parking Facility that include, at a minimum, the Public Parking Hours. Licensor may modify the Public Operating Hours of the Parking Facility without the approval of Licensee so long as such modified Public Operating Hours include the Public Parking Hours. Licensor shall provide Licensee with written notification of its intent to reduce the Public Operating Hours of the Parking Facility at least ten (10) days prior to the effective date of such reduction, whether such reduction is in the total Public Operating Hours per week or the Public Operating Hours during any day during the week. Licensor shall not implement any reduction in the Public Operating Hours without the prior written approval of Licensee. Licensor and Licensee hereby agree to undertake a periodic review and evaluation of the public usage of the Parking Facility to determine if the Public Operating Hours should be changed, whether extended or reduced, with the objective of maximizing the profitability of the Parking Facility and consistent with the use of the Parking Facility by the Residential Developmetn Tenants. Based upon such review and evaluation, Licensor and Licensee shall renegotiate the Public Operating Hours. Such revisions to the Public Operating Hours shall be agreed upon by Licensor and Licensee in writing prior to implementation. Licensor shall install signs in and around the Parking Facility indicating current hours of operation.

(c) **Staffing.** Prior to the Commencement Date, Licensor shall establish and provide to Licensee for its approval, which approval shall not be unreasonably withheld or delayed, staffing levels by position and time of day during the Public Operating Hours of the Parking Facility. Such staffing levels may be revised from time to time with the written consent of Licensee, which consent shall not be unreasonably withheld or delayed. At no time shall the Parking Facility be left unattended during the Public Operating Hours. Licensor must have a formal employee training program which includes cashier training, reporting procedures, lot maintenance and safety inspections, ticket transactions, professional conduct, customer service, dispute handling, emergency procedures, and safety and security measures.

(d) **Parking Rates.** Prior to the Commencement Date, Licensor shall establish and provide to Licensee for its approval, which approval shall not be unreasonably withheld or delayed, the parking rates to be charged for the Parking Facility. Such parking rates may be revised from time to time with the written consent of Licensee, which consent shall not be unreasonably withheld or delayed. Licensor shall comply with Section 103.202 of the City of Los Angeles Municipal Code in the operation of the Parking Facility.

(e) **Parking Facility Manager.** To the extent Licensor elects to retain a Parking Facility Manager, the Parking Facility Manager shall undertake some or all the

duties and obligations of the Licensor hereunder. Any duties or obligations not assumed by the Parking Facility Manager shall remain the duties and obligations of the Licensor.

(f) ***Parking Facility Operations.*** Licensor shall be responsible for overseeing all aspects of the parking operations, including supervising, planning, and scheduling all aspects of employee duties, hiring and dismissing of employees and conducting routine lot inspections. Licensor shall also oversee the removal of cash from the attendant booths and ensure that the Parking Facility is sufficiently staffed at all times. Licensor shall perform a written evaluation of each attendant's performance at least once during a twelve month period and other required supervisory duties.

Licensor shall be responsible for conducting daily inspections of the Parking Facility. The daily lot inspections should be documented in the form of a checklist or log and should be available to Licensee's staff upon request. These inspections shall include but not be limited to lot maintenance, cleanliness, safety hazards, proper functioning of revenue control equipment, attendant performance, and cash and accounting audits.

(g) ***Patron Complaints.*** Licensor shall resolve any operational problems and/or public patron complaints and accurately report these problems and/or complaints to Licensee within twenty-four (24) hours and follow up with a written report within ten (10) days of the incident. Licensor shall maintain a written log of all public patron complaints, injuries and accidents, security problems, damage to the Parking Facility and equipment, and other unusual incidents occurring in the Parking Facility. Licensor shall note the dates and times, as well as the action taken or the reason for non-action. The log shall be available for inspection by Licensee's staff at all reasonable times.

(h) ***Long-term Parking.*** Except for parking by the Residential Development Tenants, no storage of Permitted Vehicles or long-term parking in excess of twenty-four (24) hours shall be permitted in the Parking Facility.

(i) ***Special Events.*** Licensor shall not permit the Parking Facility to be used for any special event other than for regular fee parking to the extent that such special event will interfere with the availability of the Public Parking Spaces during the Public Parking Hours without the prior written consent of Licensee. Licensor shall notify Licensee in writing of the nature of any requests for use of the Parking Facility at least ten (10) days prior to the event.

(j) ***Licensor and Licensee Meetings.*** Licensor's staff shall be available to meet at least bi-monthly, or more frequently to the extent deemed necessary by Licensee, with Licensee's staff at the Office of Parking Management, 555 Ramirez Street in Space 315, or at another mutually agreed upon site, at a mutually agreed upon time, to discuss all matters relating to the operation and management of the Parking Facility.

(k) ***Parking Access and Revenue Control Equipment.*** The Parking Facility shall be equipped with parking access and revenue control equipment approved by Licensee. The master parking computer shall be located in the parking management office of the Parking Facility and may, at the request of Licensee, be remotely linked to

Licensee's Department of Transportation, Parking Facilities Division for audit purposes. Licensee shall have access to the revenue control equipment on site at all times during normal business hours and may conduct surprise field audits. Licensor shall provide monthly reports to Licensee, including but not limited to revenue and validation reports, occupancy counts and monitoring, and equipment functions. The revenue control equipment shall be operational at all times unless specific written permission has been obtained in advance from Licensee.

Licensor shall implement revenue control procedures which account for Permitted Vehicles parked in the Parking Facility, tickets issued and collected, and fees collected and deposited. Daily reports and logs, which contain the name of the parking attendants who open and close the Parking Facility, opening and closing ticket numbers, opening and closing car counts, time of opening and closing, time of change of shifts, and list of overnight vehicles with amount due, shall be maintained for the Parking Facility. Daily inspections shall be conducted by Licensor, in addition to monthly reporting and complete audits.

The parking access and revenue control equipment shall monitor the utilization of the Parking Facility on a daily basis by transient and monthly parkers. Licensor shall provide daily reports of such parking utilization to Licensee for the purpose of ensuring that the Public Parking Spaces are in fact available during the Public Parking Hours.

(l) ***Compliance with Bond Documents.*** Licensor shall ensure that it complies with the requirements and restrictions contained in the Bond Documents in the operation of the Parking Facility.

(m) ***Security.*** Licensor shall provide and maintain a security force, security equipment and other security measures as are required to keep all portions of the Parking Facility safe and free of crimes against persons and property in a manner at least equivalent to that observed and provided in other similarly situated parking structures in the City. Licensor and Licensee shall reasonably cooperate in good faith to maximize overall security for the Parking Facility, including, without limitation, adopting rules and regulations for the Parking Facility that are designed to maximize the overall security within the Parking Facility, consistent with other similarly situated parking structures in the City. Licensor's security force shall be responsible for the patrol of all areas of the Parking Facility. All security measures in the Parking Facility provided by Licensor shall be coordinated with the activities of the City's police department. Nothing herein is intended to diminish the right or authority of the City, in the exercise of its police powers (as opposed to its capacity as a party to this Agreement) to direct its respective police forces as it deems necessary in its sole discretion. All security costs shall be considered an item of Operating Costs for the Parking Facility.

Section 11. Maintenance Services.

(a) ***Maintenance and Repair.*** Licensor shall maintain the Parking Facility in good order, condition and repair, consistent with that of a safe and clean parking structure which upholds quality standards comparable to those used in similarly situated parking

structures in the City. Without limiting the generality of the above, the Parking Facility shall be power swept once every six months and steam cleaned once every year by a qualified vendor, or at more frequent intervals as may be required to maintain the Parking Facility in a safe and clean condition. Licensee shall also maintain the elevator, stairways and handrails in the Parking Facility in a clean and safe condition.

Licensee reserves the right, after reasonable notice and opportunity to cure, to clean the Parking Facility and/or perform repairs or necessary maintenance activities. The Trustee shall reimburse Licensee for the cost of these services from the Maple Avenue Parking Fund or, to the extent sufficient funds are not otherwise available in the Maple Avenue Parking Fund, from the Operating Reserve Fund.

(b) **Trash Removal.** Licensor shall remove all papers, debris, filth, refuse and surface waters as required. No garbage or trash shall be permitted to accumulate, except in covered containers. Licensor shall provide for regular trash collection services so as to maintain a clean and safe condition within the Parking Facility. The booths and office windows shall be cleaned as needed.

(c) **Signage.** Licensor shall maintain, repair, and replace parking area entrance, exit and directional signs, markers and lights required for safety and consistent with that of a safe and clean parking structure. Licensor shall install, clean, maintain, re-lamp and repair all signs in the Parking Facility, including directional and other signage related to the parking functions.

(d) **Lighting.** Licensor shall clean lighting fixtures and re-lamp and re-ballast them as needed. The Parking Facility shall be kept lighted by the Licensor for security purposes seven days each week as necessary during the Public Operating Hours.

(e) **Landscaping.** Licensor shall maintain, repair and replace landscaping, if any, as necessary to keep the same in a thriving condition commensurate with that of a similarly situated parking structure in the City.

(f) **Graffiti.** Licensee shall remove graffiti from the Parking Facility and paint and touch up Parking Facility surfaces and fixtures, as necessary.

(g) **Fire Alarm.** Licensor shall maintain and oversee the operation of the fire alarm system within the Parking Facility. Licensor shall secure a contract with a qualified company for the fire alarm monitoring of the Parking Facility.

(h) **Pest Control.** Licensor shall maintain and oversee the control of insects and pests within the Parking Facility.

(i) **Telephone.** Licensor shall provide for a telephone and facsimile machine on-site which shall be operational during business hours. Licensor shall allow Licensee staff to use the telephone for official Licensee business and in emergency situations.

(j) **ADA Compliance.** Licensor shall provide handicapped accessible attendant booths in compliance with the Americans With Disabilities Act (ADA) for the

Parking Facility. Licensor shall be responsible for the daily cleaning and maintenance of the booths.

(k) **Utilities.** Licensor shall insure that adequate utilities are provided for the operation of the Parking Facility and shall timely pay all such utility expenses including, water, electrical, gas, sewer and waste disposal.

(l) **Maintenance Contracts.** Copies of all maintenance contracts secured pursuant to this section shall be supplied to Licensee upon request.

All costs incurred in providing the foregoing maintenance services shall be considered Operating Costs of the Parking Facility.

Section 12. Books and Records.

(a) **Books and Records Relating to Parking Facility.** Licensor shall keep at its offices full, accurate and separate books of account covering Licensor's management and operation of the Parking Facility. The books of account shall be made available by Licensor at its offices for a period of at least 36 months after the expiration of each License Year. Licensee shall have the right at all reasonable times during the Term and for a period of 36 months after the end of the Term to inspect the books of account. Within 24 months of the end of each year, Licensee shall also have the right to complete or cause to be completed an audit of the Parking Facility's Operating Costs for any such year by third-party accountants or consultants experienced in the operations of similar businesses, selected by Licensee. The cost of such audit shall be paid from the Maple Avenue Parking Fund.

(b) **Records Relating to Bonds.** Not more frequently than once during each License Year, Licensee shall have the right, during regular business hours, to request and complete an audit of the books and records of the Trustee relating to the Bonds and the financing of the Parking Facility. The cost of such audit shall be paid from the Maple Avenue Parking Fund.

(c) **Estimated Operating Costs.** No later than thirty (30) days prior to the Commencement Date and each License Year during the Term of this Agreement, Licensor shall furnish to Licensee a statement of the Estimated Operating Costs for the Parking Facility for the next License Year. If Licensee objects to any statement of Estimated Operating Costs submitted to Licensee by Licensor, Licensee shall within ten (10) days of the receipt of the statement provide a written statement to Licensor identifying Licensee's objections to the statement. Both parties shall attempt to resolve the conflict by negotiation. If Licensor and Licensee are not able to negotiate a resolution to the conflict within ten (10) days after Licensee has given Licensor written objection to the statement, then the dispute shall be presented to a mediator pursuant to Section 31 in an attempt to resolve the dispute. Until such time as a final determination is rendered in such mediation, the Estimated Operating Costs for the next succeeding year shall be the same as the preceding year.

Section 13. Application of Revenues.

(a) *Establishment of Maple Avenue Parking Fund.* Concurrently with the issuance of the Bonds, Licensor shall establish an interest-bearing account with the Trustee to be designated as the "Maple Avenue Parking Fund" (the "Maple Avenue Parking Fund"). Revenues, exclusive of License Fees, received from the operation of the Parking Facility shall be deposited by Licensor into the Maple Avenue Parking Fund or an account therein established pursuant to the Indenture no later than the business day following receipt of such Revenues. Revenues collected from the sale of monthly parking passes shall be deposited by Licensor into the Maple Avenue Parking Fund or an account therein established pursuant to the Indenture no later than the business day following receipt of such Revenues. License Fees received by the Trustee pursuant to Section 8 shall be deposited upon receipt in the License Fees Account of the Maple Avenue Parking Fund.

(b) *Application of Revenues.* In each License Year, Revenues in the Maple Avenue Parking Fund shall be applied by Licensor, or the Trustee on behalf of Licensor, for the following purposes, in the following order of priority:

(i) On a monthly basis:

(A) Operating Costs. Pay all Operating Costs incurred in the operation and maintenance of the Parking Facility in accordance with the requirements contained herein;

(B) Debt Service. Deposit or otherwise set aside with the Trustee an amount equal to $1/24^{\text{th}}$ of the principal and $1/12^{\text{th}}$ of the interest coming due on the next succeeding principal and interest payment dates for the Bonds; and

(C) Reserve Fund. To the extent there is a deficiency in the Reserve Fund, deposit into the Reserve Fund the amount required to replenish the Reserve Fund to the Reserve Fund Requirement.

(D) Operating Reserve Fund Deposit. Deposit or otherwise set aside in the Operating Reserve Fund an amount up to \$____ until the amount on deposit in the Operating Reserve Fund equals the Operating Reserve Fund Requirement. At any time the amount on deposit in the Operating Reserve Fund falls below the Operating Reserve Fund Requirement, the Licensor or the Trustee on behalf of the Licensor, shall resume the deposits into the Operating Reserve Fund in an amount up to \$____ until the amount on deposit in the Operating Reserve Fund equals the Operating Reserve Fund Requirement.

(ii) Deposit into the Rebate Fund the amount, if any, required to be deposited into the Rebate Fund pursuant to the Tax Agreement.

(iii) Deposit into the Operating Reserve Fund the amount required to initially fund the Operating Reserve Fund at the Operating Reserve Fund Requirement, and to replenish the Operating Reserve Fund, from time to time as necessary, to an amount equal to the Operating Reserve Fund Requirement;

(iv) Reimburse Licensee all Licensee Fees paid by Licensee pursuant to this Agreement;

(v) Deposit or otherwise set aside in a separate account an amount equal to the $1/12^{\text{th}}$ of the principal and $1/6^{\text{th}}$ of the interest coming due on the next succeeding interest and principal payment dates pursuant to the BGIF Loan Agreement; and

(vi) Subject to the provisions of Section 15 of this Agreement, distribute all excess Revenues remaining on deposit in the Maple Avenue Parking Fund at the end of each License Year equally between Licensor and Licensee.

Section 14. Operating Reserve Fund. Licensor shall establish or cause to be established by the Trustee and held in trust under the Indenture a separate fund designated as the "Operating Reserve Fund" (the "Operating Reserve Fund"). All interest earnings and income on amounts on deposit in the Operating Reserve Fund shall be transferred to the Maple Avenue Parking Fund. Amounts on deposit in the Operating Reserve Fund shall be applied by Licensor, or the Trustee on behalf of Licensor, to pay Operating Costs to the extent Revenues are insufficient in any License Year to pay such Operating Costs and to fund the repair, refurbishment or replacement of the Parking Facility not otherwise funded from any other sources pursuant to this Agreement. Licensor shall notify Licensee in writing of any proposed disbursement or application of amounts on deposit in the Operating Reserve Fund and obtain Licensee's written consent to such disbursement or application, which consent shall not be unreasonably delayed, conditioned or withheld by Licensee. If Licensee objects to the disbursement or application of amounts on deposit in the Operating Reserve Fund, Licensee shall within ten (10) days of the receipt of Licensor's written notification provide a written statement to Licensor identifying Licensee's objections to the disbursement or application of amounts on deposit in the Operating Reserve Fund. Both parties shall attempt to resolve the conflict by negotiation. If Licensor and Licensee are not able to negotiate a resolution to the conflict within ten (10) days after Licensee has given Licensor written objection to the disbursement or application of amounts on deposit in the Operating Reserve Fund, then the dispute shall be presented to a mediator pursuant to Section 31 in an attempt to resolve the dispute. If Licensee fails to deliver a written disapproval of such proposed disbursement or application of funds in the Operating Reserve Fund within ten (10) days of Licensor's delivery of notice to Licensee outlining Licensee's basis for such disapproval, then the disbursement or application of such funds shall be deemed to be approved by Licensee.

Upon payment of the Bonds, all amounts on deposit in the Operating Reserve Fund shall be transferred to a new account held by a financial institution in the City (which may be the Trustee) to be established and administered by Licensor with the written consent of Licensee until the Termination Date, at which time any amounts remaining on deposit in the Operating Reserve Fund shall be disbursed equally between Licensee and Licensor.

Section 15. Security for Licensor's Obligations. As security for Licensor's obligations under the Loan Agreement and the BGIF Loan Agreement, Licensor shall, concurrently with the issuance of the Bonds, furnish to the Trustee the Letter of Credit in an amount equal to the Letter of Credit Amount. Licensor shall cause the Letter of Credit to be continuously maintained in an amount equal to the Letter of Credit Amount while the Bonds are outstanding. In the event Licensor fails to renew or furnish a substitute letter of credit at least sixty (60) days prior to the expiration of the Letter of Credit, Trustee is hereby instructed to disburse any excess Revenues due to Licensor pursuant to Section 13(b)(v) to Licensee until such disbursements are equal to the Letter of Credit Amount. In the event that Licensee determines that such disbursements are insufficient to satisfy Licensor's obligations under this Section, Licensee may elect to exercise its rights to purchase the Parking Facility pursuant to Section 26 of this Agreement.

Section 16. Late Fee. Licensee acknowledges that the late payment by Licensee to Licensor of the License Fees will cause Licensor to incur costs not contemplated by this Agreement, the exact amount of which is difficult to ascertain. Accordingly, if any installment of License Fees is not received by Licensor or Licensor's designee within five (5) calendar days after the applicable due date, without any requirement for notice to Licensee, Licensee shall pay to Licensor a late charge equal to seven percent (7%) of the overdue amount. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs incurred by Licensor by reason of late payment by Licensee. Acceptance of any late charge shall not constitute a waiver by Licensor of Licensee's default with respect to the overdue amount, and shall not prevent Licensor from exercising any of the other rights and remedies available to Licensor for a default by Licensee under this Agreement.

Section 17. Indemnity. LICENSEE SHALL INDEMNIFY, DEFEND (WITH COUNSEL ACCEPTABLE TO LICENSOR) AND HOLD HARMLESS LICENSOR PARTIES (AS HEREINAFTER DEFINED) FROM AND AGAINST ANY AND ALL CLAIMS, JUDGMENTS, CAUSES OF ACTION, DAMAGES, PENALTIES, COSTS, LIABILITIES, AND EXPENSES, INCLUDING ALL, COSTS, REASONABLE ATTORNEYS' FEES, EXPENSES, AND LIABILITIES INCURRED BY LICENSOR PARTIES IN THE DEFENSE OF ANY SUCH CLAIM OR ANY ACTION OR PROCEEDING BROUGHT THEREON, ARISING AT ANY TIME DURING OR AFTER THE TERM OF THIS AGREEMENT AS A RESULT (DIRECTLY OR INDIRECTLY) OF OR IN CONNECTION WITH THE USE OF THE PARKING FACILITY BY LICENSEE PARTIES (AS HEREINAFTER DEFINED). LICENSOR HEREBY AGREES THAT THE CITY ATTORNEY OF THE CITY SHALL BE AND IS DEEMED ACCEPTABLE AS COUNSEL TO LICENSOR IN CONNECTION WITH LICENSEE'S COVENANT TO DEFEND LICENSOR AS PROVIDED IN THIS SECTION ABSENT A CONFLICT OF INTEREST BETWEEN LICENSOR AND LICENSEE WITH RESPECT TO SUCH CLAIMS, JUDGMENTS, CAUSES OF ACTION, DAMAGES, PENALTIES, COSTS, LIABILITIES AND EXPENSES. LICENSOR SHALL INDEMNIFY, DEFEND (WITH COUNSEL ACCEPTABLE TO LICENSEE), AND HOLD HARMLESS LICENSEE PARTIES FROM AND AGAINST ANY AND ALL CLAIMS, JUDGMENTS, CAUSES OF ACTION, DAMAGES, PENALTIES, COSTS, LIABILITIES, AND EXPENSES, INCLUDING ALL COSTS, REASONABLE ATTORNEYS' FEES, EXPENSES, AND LIABILITIES INCURRED BY LICENSEE PARTIES IN THE DEFENSE OF ANY SUCH CLAIM OR ANY ACTION OR PROCEEDING BROUGHT THEREON, ARISING AT ANY TIME DURING OR AFTER THE TERM OF THIS AGREEMENT AS A RESULT

(DIRECTLY OR INDIRECTLY) OF OR IN CONNECTION WITH THE USE OF THE PARKING FACILITY BY LICENSOR PARTIES OR THE INVITEES OF LICENSOR. LICENSOR AND LICENSEE HEREBY AGREE THAT THE TRANSIENT AND MONTHLY PARKERS IN THE PARKING FACILITY SHALL BE DEEMED INVITEES OF LICENSOR FOR PURPOSES OF THIS AGREEMENT. AS USED HEREIN, THE TERM "LICENSOR PARTIES" MEANS LICENSOR AND ITS MEMBERS, DIRECTORS, OFFICERS, EMPLOYEES, SHAREHOLDERS AND AGENTS, AND EACH OF THEIR SUCCESSORS AND ASSIGNS; AND THE TERM "LICENSEE PARTIES" MEANS LICENSEE AND ITS COUNCIL MEMBERS, OFFICERS, EMPLOYEES, AND AGENTS, AND EACH OF THEIR SUCCESSORS AND ASSIGNS. THE OBLIGATIONS OF EACH PARTY UNDER THIS SECTION SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS AGREEMENT.

Section 18. MTA Component. Licensee shall not be responsible for the maintenance and operation of the MTA Component and the costs of such maintenance shall not be included in Operating Costs for the Parking Facility. Licensor shall ensure that the MTA Component is properly maintained by the MTA in a clean, orderly and safe condition consistent with the standards set forth herein for the maintenance of the Parking Facility by the Licensor. To the extent the MTA fails to properly maintain the MTA Component as required pursuant to the Agreement and the Ground Lease, Licensor shall pursue all remedies available to Licensor pursuant to the Ground Lease to ensure the MTA Component is properly maintained. The MTA Component shall have separate meters for all utility services required to operate the MTA Component and all such services shall be billed directly to the MTA. The MTA shall be required to maintain property and liability insurance coverage in amounts deemed reasonable and customary for the operation of the MTA Component as a transit bus staging area. Such insurance policy or policies shall name the Licensee and the Licensor as additional insureds and shall require at least thirty (30) days written notice to Licensee and Licensor prior to the cancellation or expiration of such insurance coverage.

Section 19. Representations and Affirmative Covenants of Licensor.

(a) **Compliance with Ground Lease.** Licensor shall comply with the terms and provisions of the Ground Lease and shall notify Licensee within five (5) days of any event of default under the Ground Lease.

(b) **Compliance with Development Agreement.** Licensor shall comply with the terms and provisions of the Development Agreement and shall notify Licensee within five (5) days of any event of default under the Development Agreement.

(c) **Limitation on Creation of Liens.** Except as otherwise provided in Section 19(f), Licensor covenants and agrees that it will not create, assume or suffer to be created or permit to exist any Lien (a "security interest") upon the Parking Facility, the Leasehold Estate or the Revenues.

(d) **Completion of Project; Licensed Contractors.** Licensor covenants and agrees that it will proceed with due diligence to cause the Project to be completed as expeditiously as practical. Prior to or concurrently with the issuance of the Bonds,

Licensors has entered into the Design/Build Agreement for the Project. Licensors shall certify that the contractors engaged to construct the Project are properly licensed by the Contractors' State License Board.

(e) ***Environmental Compliance.***

(i) Licensors covenants and agrees that it will comply with all material laws, statutes, ordinances, regulations, covenants, conditions and restrictions now or hereafter affecting the Parking Facility or the operations thereof, and it will not commit, suffer or permit any act to be done in violation of any law, ordinance or regulation, except, in each case, where such noncompliance or act would not have a material adverse effect upon Licensors's assets, operations or financial condition.

(ii) Licensors represents and warrants that:

(A) To the best of its knowledge, after due inquiry, no litigation, investigation or administrative or other proceeding of any kind before or by any Governmental Authority or private party relating to (1) any environmental, health, or safety Requirement of Law, (2) any Remedial Action, (3) any Liabilities and Costs arising from the Release or threatened Release of Hazardous Substances into the environment, or (4) any other Liabilities and Costs arising from or concerning environmental, health or safety issues or conditions is pending or threatened against or involving the Parking Facility.

(B) Licensors is not subject to any judgment, injunction, writ, order or agreement respecting (1) any environmental, health or safety Requirement of Law, (2) any Remedial Action, (3) any Liabilities and Costs arising from or concerning environmental, health or safety issues or conditions arising from the violation of law. In addition, Licensors is not now aware, after due inquiry, of any grounds on which such judgment, injunction, writ, order or agreement might be based.

(C) Licensors has reviewed the reports prepared with respect to the Site and has no knowledge of the existence of any other reports of investigations, contracting documents and other written materials concerning the existence of Hazardous Substances with respect to the Site. These reports indicated that no Hazardous Substances have been disposed of on the Site in any manner as to result in material liability to Licensors. Licensors agrees that it will take all actions to ensure that it is in material compliance with any Requirement of Law if and when there is a Release of any Hazardous Substances on the Parking Facility.

(D) The operations or other activities of Licensors will not result in the disposal or other Release of any Hazardous Substances on or from the Parking Facility other than in material compliance with applicable Environmental Regulations.

(E) Licensor has not entered into any negotiations or agreements with any person (including, without limitation, any prior owner of any portion of the Site) relating to any Remedial Action.

(F) Licensor has not received any notice or claim or information to the effect that it is or may be liable to any person as a result of a Release or threatened Release of a Hazardous Substances into the environment in violation of applicable Environmental Regulations.

(G) No Environmental Lien has attached to any of the Parking Facility.

(H) The Parking Facility does not contain asbestos or any PCB containing material in violation of any Requirement of Law.

(I) The operations or other activities of Licensor shall not result in the disposal or other Release of any Hazardous Substances on or from the Parking Facility other than in material compliance with all current and future applicable environmental laws and Licensor shall not engage in any activities that will result in the violation of any current or future environmental laws. Licensor shall obtain from time to time all permits required under any current or future environmental laws so that the operations of Licensor will be in material compliance with such laws.

(J) Licensor will make available for inspection from time to time all documents and information in its possession and control regarding activities and conditions relating to the Parking Facility and other assets which may result in material noncompliance with, or liability under, any Requirement of Law.

(K) Licensor shall not knowingly store, locate, generate, produce, process, treat, transport, incorporate, discharge, emit, release, deposit or dispose of any Hazardous Substance in, upon, under, over or from the Parking Facility other than in material compliance with all applicable Environmental Regulations, shall not permit any Hazardous Substance to be stored, located, generated, produced, processed, treated, transported, incorporated, discharged, emitted, released, deposited, disposed of or to escape therein, thereupon, thereunder, thereover or therefrom other than in material compliance with all applicable Environmental Regulations, shall not install or permit to be installed any underground storage tank therein or thereunder other than in material compliance with all applicable Environmental Regulations, and shall comply with all Environmental Regulations which are applicable to the Parking Facility. At any time, and from time to time, if Licensee reasonably so requests, the Parking Facility shall have an environmental review, audit, assessment and/or report prepared for Licensee, if none has previously been so provided during the immediately preceding 36 months.

Licensor shall indemnify Licensee and shall hold Licensee harmless from, and shall reimburse Licensee for, any and all claims, demands, judgments, penalties, liabilities, costs, damages and expenses, including court costs and attorneys' fees directly or indirectly incurred by Licensee (prior to trial, at trial and on appeal) in any action against or involving Licensee, resulting from any breach of the foregoing covenants, or from the discovery of any Hazardous Substance, in, upon, under or over, or emanating from, the Parking Facility, whether or not Licensor is responsible therefor, it being the intent of Licensor that Licensee shall have no liability or responsibility for damage or injury to human health, the environment or natural resources caused by, for abatement and/or clean up of, or otherwise with respect to, Hazardous Substances by virtue of its interests, if any, in the Parking Facility created by this Agreement or otherwise, or hereafter created, or as the result of Licensee exercising any of its rights or remedies with respect thereto hereunder or under any other instrument, including but not limited to becoming the owner hereof by purchase. The foregoing representations, warranties and covenants shall be deemed continuing covenants, representations and warranties for the benefit of Licensee and any successors and assigns thereof.

(L) Within 10 days after receipt of any report, citation, order, manifest or other written or oral communication from any local, state or federal agency or authority empowered to enforce, investigate or oversee compliance with Environmental Regulations, concerning the Parking Facility, any condition thereon, or the activities of any person on or near the Parking Facility, Licensor shall notify Licensee in writing of the contents of such communication, and shall provide Licensee with a copy of all relevant documents.

(M) Nothing contained in this Section 19(e) shall obligate Licensee, the Trustee or the Authority to take any action with respect to the Parking Facility, any Hazardous Substances thereon, or any condition or activity that is in violation of Environmental Regulations, or to take any action against any Person with respect to such substances, condition or activity.

(f) ***Permitted Indebtedness.*** Licensor covenants that it will not incur any Indebtedness except for:

(i) Indebtedness evidenced by the Loan Payments to be made under the Loan Agreement and the Bonds issued and delivered pursuant to the Indenture;

(ii) Additional Indebtedness evidenced by Additional Loan Payments to be made pursuant to a Supplemental Loan Agreement and Additional Bonds executed and delivered pursuant to a Supplemental Indenture; and

(iii) Indebtedness, the proceeds of which will be used for the construction, installation, maintenance and operation of the Parking Facility, which in all cases shall be subordinate to Licensor's obligations under the Loan Agreement and the BGIF Loan Agreement.

(g) **Taxes, Assessments, Other Governmental Charges and Utility Charges.** Licensor covenants and agrees that it will pay and discharge or cause to be paid and discharged all taxes, assessments, governmental charges of any kind whatsoever, water rates, meter charges and other utility charges which may be or have been assessed or which may have become liens upon the Parking Facility or the interest therein of Licensee, the Authority, the Trustee or the holders of the Bonds and will make such payments or cause such payments to be made, respectively, in due time to prevent any delinquency thereon or any forfeiture or sale of the Parking Facility or the interest therein of Licensee, the Authority, the Trustee or the holders of the Bonds or any part thereof, and, upon request, will furnish to Licensee, the Trustee and the Authority receipts for all such payments, or other evidences satisfactory to Licensee, the Trustee and the Authority; provided, however, that Licensor shall not be required to pay any tax, assessment, rate or charge as herein provided as long as it shall in good faith contest the validity thereof, provided that Licensor shall have set aside reserves with respect thereto that, in the opinion of Licensor, are adequate. Notwithstanding anything herein to the contrary, Licensor shall take all actions necessary to apply for an exemption from ad valorem taxes for the Public Parking Spaces in the Parking Facility.

(h) **Permits.** Licensor and its officers, agents and employees shall obtain and maintain all licenses, permits, certifications and other documents necessary for Licensor's performance hereunder and shall pay any fees required therefor. Licensor shall promptly notify Licensee of any suspension, termination, lapses, non-renewals, or restrictions of licenses, permits, certificates, or other documents.

(i) **Nondiscrimination and Affirmative Action.** Licensor shall comply with the applicable nondiscrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the City. In performing this Agreement, Licensor shall not discriminate in its employment practices against any employee or applicant for employment because of such person's race, religion, national origin, ancestry, sex, sexual orientation, age, disability, domestic partner status, marital status or medical condition. Licensor shall comply with the provisions of the Los Angeles Administrative Code Sections 10.8 through 10.13, to the extent applicable hereto. Licensor shall also comply with all rules, regulations, and policies of the City's Board of Public Works, Office of Contract Compliance relating to nondiscrimination and affirmative action, including the filing of all forms required by said office. Any subcontract entered into by Licensor relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of this paragraph. Failure of Licensor to comply with this requirement or to obtain the compliance of its subcontractors with such obligations shall subject Licensor to the imposition of any and all sanctions allowed by law, including but not limited to termination of this Agreement.

(j) ***Current Los Angeles City Business/Tax Registration Certificate Required.*** Licensor represents that it shall obtain a Business Tax Registration Certificate(s) required by the City's Business Tax Ordinance (Article 1, Chapter 2, sections 21.00 and following, of the Los Angeles Municipal Code), as required by such ordinance. For the term covered by this Agreement, Licensor (and the Parking Facility Manager, if not Licensor) shall maintain, or obtain as necessary, all such Certificates required of it under said ordinance and shall not allow any such Certificate to be revoked or suspended.

(k) ***Child Support Assignment Orders.*** This Agreement is subject to Section 10.10, Article 1, Chapter 1, Division 10 of the Los Angeles Administrative Code, Child Support Assignment Orders Ordinance. Licensor is required to complete a Certification of Compliance with Child Support Obligations which is attached hereto as Exhibit C and incorporated herein by this reference. Pursuant to this ordinance, Licensor shall (i) fully comply with all State and Federal employment reporting requirements applicable to Child Support Assignment Orders; (ii) certify that the principal owner(s), members or managers of Licensor are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (iii) fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code section 5230, *et seq.*; and (iv) maintain such compliance throughout the term of this Agreement. Pursuant to Section 10.10.b of the Los Angeles Administrative Code, failure of Licensor to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment Orders and Notices of Assignment or the failure of any principal owner(s), members or managers of Licensor to comply with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally shall constitute a default by the Licensor under the terms of this Agreement, subjecting this Agreement to termination where such failure shall continue for more than ninety (90) days after notice of such failure to Licensor by Licensee. Any subcontract entered into by Licensor relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of this paragraph and shall incorporate the provisions of the Child Support Assignment Orders Ordinance. Failure of Licensor to obtain compliance of its subcontractors shall constitute a default by Licensor under the terms of this Agreement, subjecting this Agreement to termination where such failure shall continue for more than ninety (90) days after notice of such failure to Licensor by Licensee.

Licensor shall comply with the Child Support Compliance Act of 1998 of the State of California Employment Development Department. Licensor assures that to the best of its knowledge it is fully complying with the earnings assignment orders of all employees, and is providing the names of all new employees to the New Hire Registry maintained by the Employment Development Department as set forth in subdivision (1) of the Public Contract Code 7110.

(l) ***Living Wage Ordinance and Service Contractor Worker Retention Ordinance.***

(i) Unless otherwise exempt in accordance with the provisions of the Living Wage Ordinance ("LWO"), this Agreement is subject to the applicable provisions of the LWO, Section 10.37 et. seq. of the Los Angeles Administrative Code, as amended from time to time, and the Service Contractor Worker Retention Ordinance (SCWRO), Section 10.36 et. seq., of the Los Angeles Administrative Code, as amended from time to time.

(A) Licensor shall pay a minimum initial wage rate to employees as defined in the LWO and as may be adjusted each July 1 and provision of benefits as defined in the LWO.

(B) Licensor further pledges that it will comply with federal law proscribing retaliation for union organizing and will not retaliate for activities related to the LWO. Licensor shall require each of its subcontractors within the meaning of the LWO to pledge to comply with the terms of federal law proscribing retaliation for union organizing. Licensor shall deliver the executed pledges from each such subcontractor to the City within ninety (90) days of the execution of the subcontract. Licensor's delivery of executed pledges from each such subcontractor shall fully discharge the obligation of Licensor with respect to such pledges and fully discharge the obligation of Licensor to comply with the provision in the LWO contained in Section 10.37.6c concerning compliance with such federal law.

(C) Licensor, whether an employer, as defined in the LWO, or any other person employing individuals, shall not discharge, reduce in compensation, or otherwise discriminate against any employee for complaining to the City with regard to the employer's compliance or anticipated compliance with the LWO, for opposing any practice proscribed by the LWO, for participating in proceedings related to the LWO, for seeking to enforce his or her rights under the LWO by any lawful means, or otherwise asserting rights under the LWO. Licensor shall post the Notice of Prohibition Against Retaliation provided by the City.

(D) Any subcontract entered into by Licensor relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of this Section and shall incorporate the provisions of the LWO and the SCWRO.

(E) Licensor shall comply with all rules, regulations and policies promulgated by the designated administrative agency which may be amended from time to time.

(ii) Under the provisions of Section 10.36.3(c) and Section 10.37.5(c) of the Los Angeles Administrative Code, Licensee shall have the authority, under appropriate circumstances, to terminate this Agreement and otherwise pursue

legal remedies that may be available if Licensee determines that Licensor has violated provisions of the LWO and the SCWRO.

(iii) Where under the LWO Section 10.37.6 (d), the designated administrative agency has determined (a) that Licensor is in violation of the LWO in having failed to pay some or all of the living wage, and (b) that such violation has gone uncured, the awarding authority in such circumstances may impound monies otherwise due Licensor in accordance with the following procedures. Impoundment shall mean that from monies due Licensor, the awarding authority may deduct the amount determined to be due and owing by Licensor to its employees. Such monies shall be placed in the holding account referred to in LWO Section 10.37.6 (d) (3) and disposed of under procedures there described through final and binding arbitration. Whether Licensor is to continue work following an impoundment shall remain in the unfettered discretion of Licensee. Licensor may not elect to discontinue work either because there has been an impoundment or because of the ultimate disposition of the impoundment by the arbitrator.

(m) ***Earned Income Tax Credit.*** This Agreement is subject to the provisions of Section 10.37.4 of the Los Angeles Administrative Code, requiring employers to inform employees making less than Twelve Dollars (\$12.00) per hour of their possible right to the federal Earned Income Tax Credit (EITC). Employers must further make available to employees the forms required to secure advance EITC payments from employers.

(n) ***Americans with Disabilities Act.*** Licensor shall comply with the Americans with Disabilities Act 42 U.S.C. Section 12101 et seq. and with the provisions of the Certification Regarding Compliance with the Americans with Disabilities Act which is attached hereto as Exhibit D and incorporated herein by this reference.

(o) ***Minority, Women, And Other Business Enterprise Outreach Program.*** Licensor certifies that it shall comply with Mayoral Directive 2001-26 regarding the Outreach Program for Personal Services Contracts Greater than \$100,000, as applicable. Licensor shall not change any of these designated subconsultants, nor shall Licensor reduce their level of effort, without prior written approval of Licensee, provided that such approval shall not be unreasonably withheld.

(p) ***Equal Benefits Ordinance.*** Unless otherwise exempt in accordance with the provisions of the City's Equal Benefits Ordinance, Section 10.8.2.1 of Article 1, Chapter 1 of Division 10 of the Los Angeles Administrative Code (the "Equal Benefits Ordinance"), this Agreement shall be subject to the Equal Benefits Ordinance. To the extent this Agreement is subject to the Equal Benefits Ordinance, the following provisions shall apply to this Agreement.

(i) Licensor shall comply with the Equal Benefits Ordinance during the performance of this Agreement and the Licensor certifies and represents that

the Licensor will provide equal benefits to its employees with spouses and its employees with domestic partners during the term of this Contract.

(ii) Licensor agrees to post a copy of the Equal Benefits Ordinance in conspicuous places at its place of business available to employees and applicants for employment.

(iii) Licensor shall permit access to and may be required to provide certified copies of all of its records pertaining to employment and to its employment practices to Licensee, for the purpose of investigation to ascertain compliance with the Equal Benefits Provisions of this Agreement, and on their or either of their request to provide evidence that it has complied or will comply therewith.

(iv) The failure of Licensor to comply with the Equal Benefits Provisions of this Agreement may be deemed to be a material breach hereof. Such failure shall only be established upon a finding to that effect by Licensee, on the basis of its own investigation. No such finding shall be made except upon a full and fair hearing after notice and an opportunity to be heard has been given to Licensor.

(v) Upon a finding duly made that Licensor has breached the Equal Benefits Provisions of this Agreement, this Agreement may be forthwith canceled, terminated or suspended, in whole or in part, by Licensee, and all monies due or to become due hereunder may be retained by Licensee. In addition thereto, such breach may be the basis for a determination by Licensee, that Licensor is an irresponsible bidder pursuant to the provisions of Section 371 of the Los Angeles City Charter. In the event of such determination, Licensor shall be disqualified from being awarded a Contract with the City of Los Angeles for a period of two years, or until it shall establish and carry out a program in conformance with the provisions hereof.

(vi) Notwithstanding any other provisions of this Agreement, Licensee shall have any and all other remedies at law or in equity for any breach hereof.

(vii) Nothing contained in this Agreement shall be construed in any manner so as to require or permit any act which is prohibited by law.

(viii) The equal benefits requirements of this Section shall not apply to collective bargaining agreements in effect prior to the effective date of Section 10.8.2.1 of the Los Angeles Administrative Code. Amendments, extensions or other modifications of such collective bargaining agreements, occurring subsequent to the effective date of that section, shall incorporate the equal benefits requirements of that section.

(ix) Licensor shall include a like provision in all subcontracts awarded for work to be performed under the contract with Licensee and shall impose the same obligations, including but not limited to filing and reporting obligations, on

the subcontractors as are applicable to Licensor. Failure of the Licensor to comply with this requirement or to obtain the compliance of its subcontractors with all such obligations shall subject the Licensor to the imposition of any and all sanctions allowed by law, including but not limited to termination of this Agreement.

(q) ***Slavery Disclosure Ordinance.*** Unless otherwise exempt in accordance with the provisions of the City's Slavery Disclosure Ordinance, Section 10.41 of the Los Angeles Administrative Code, as may be amended from time to time (the "Slavery Ordinance"), this Agreement shall be subject to the Slavery Ordinance. To the extent the Slavery Ordinance is applicable to this Agreement, Licensor certifies that it has complied with the applicable provisions of the Slavery Ordinance. Failure to fully and accurately complete the affidavit required pursuant to the Slavery Ordinance may result in termination of this Agreement.

Section 20. Default by Licensee. Licensee shall be in default hereunder if (a) Licensee is delinquent in the payment of any sum to be paid under this Agreement and such delinquency continues for twenty-five (25) days after Licensor or the Trustee has given written notice thereof to, Licensee; or (b) Licensee shall fail to perform any of the other covenants or conditions which Licensee is required to observe and perform within thirty (30) days after receipt of notice from Licensor or the Trustee of such failure, or within such longer period of time as is reasonably necessary to cure the default if such default cannot be cured within said thirty (30) day period so long as Licensee commences the curative action within said thirty (30) day period and diligently pursues the cure to completion. Upon the occurrence of any such default (that is not cured in accordance with the preceding sentence), Licensor may with the written consent of the Trustee and a majority of Bondholders treat the default as a breach of this Agreement and thereupon, Licensor, at Licensor's option, may terminate this Agreement and Licensee's right to use the Public Parking Spaces.

Section 21. Default by the Licensor.

(a) Licensor shall be in default hereunder if (i) Licensor shall be in default in the performance of any of the covenants or conditions which Licensor is required to observe and perform hereunder, (ii) Licensor shall be in default under any provision of any of the Bond Documents, or (iii) Licensor shall be in default under any covenant or condition of the Ground Lease. Licensor shall not be deemed in default under (i) above unless Licensor has failed to perform such obligation within thirty (30) days after the receipt of written notice of default from Licensee specifying in detail Licensor's failure to perform. Concurrently with the delivery of written notice to Licensor, Licensee shall delivery a copy of such written notice to the Trustee and the MTA. Licensor shall not be deemed to be in default under this Agreement if (i) Licensor performs and meets the obligation within the thirty (30) day period after written notice of default is given, or (ii) the obligation cannot reasonably be performed within thirty (30) days after written notice of default is given, but Licensor reasonably commences to cure the default within the thirty (30) day period and diligently and in good faith continues to cure the default.

(b) In the event Licensor shall default in the performance of any obligation required to be performed under this Agreement, Licensee shall provide written notice to Licensor and the Trustee identifying the nature of such default. If Licensor shall have failed to cure a default by Licensor within thirty (30) days after the receipt of written notice of such default, Licensee may elect to cure such default and the Trustee shall reimburse Licensee for the cost of remedying such default as an Operating Cost of the Parking Facility.

(c) Licensor and Licensee hereby agree that within ten (10) Business Days of the receipt of written notice of the failure of Licensor to cure such default, the Trustee shall have the right, but not the obligation, to cure such default under this Agreement, and Licensee shall accept such performance by the Trustee as if the same had been made by Licensor, subject to all of the terms and conditions of this Agreement. In the event the Trustee elects to cure such default, it shall give Licensee written notice of its election to cure such default within such period and shall commence such cure and diligently proceed to cure the default. Any contractor retained by the Trustee to perform any obligation of Licensor shall be subject to the reasonable approval of Licensee.

(d) Except as otherwise provided in Section 9, Licensee hereby waives the benefits of Civil Code Sections 1932(1), 1932(2) and 1933(4) and any and all other rights it may have to terminate this Agreement as a result of an Abatement Event hereunder and this Agreement shall continue in full force and effect.

(e) In the event Licensor shall be in default under this Agreement, Licensee may, in addition to any other rights or remedies Licensee may have, elect to exercise its option to purchase the Parking Facility pursuant to Section 26 of this Agreement.

Section 22. Assignment by Licensee. Licensee shall not directly or indirectly, voluntarily or by operation of law, assign, transfer, pledge, mortgage, or hypothecate this Agreement or any interest herein.

Section 23. Assignment by Licensor.

(a) Licensor may assign, transfer, mortgage, hypothecate or encumber Licensor's right, title and interest in and to this Agreement or any portion thereof (including the right to receive the License Fees but excluding its duties and obligations hereunder), and Licensor may execute any and all instruments providing for the payment of License Fees directly to an assignee or transferee, but only if the conditions set forth in subsections (b), (d) and (g) below are met. Any document or agreement purporting to collaterally assign, transfer, mortgage, hypothecate or encumber Licensor's right, title and interest in and to this Agreement or any portion thereof, is hereinafter referred to as a "Security Agreement." Any Security Agreement which is executed without full compliance with the requirements of this Section 23 shall be void.

(b) Each assignee or transferee under the Security Agreement shall certify and agree in writing that such assignee or transferee has read and is familiar with the requirements of Sections 5950-5955 of the California Government Code, which prohibit

the offer or sale of any security constituting a fractional interest in this Agreement of any portion thereof, without the prior written consent of Licensee.

(c) Violation by Licensor of the provisions of Section 5951 of the California Government Code will constitute a material breach of this Agreement, upon which Licensee may impose damages in an amount equal to the greater of (i) \$500,000 or (ii) 10% of the aggregate License Fees payable by Licensee during the entire Term, it being expressly agreed that the aforesaid amount shall be imposed as liquidated damages, and not as a forfeiture or penalty. It is further specifically agreed that the aforesaid amount is presumed to be the amount of damages sustained by reason of any such violation, because from the circumstances and nature of the violation it would be impracticable and extremely difficult to fix actual damages. In addition, Licensee may exercise or pursue any other right or remedy it may have under this Agreement or applicable law.

(d) Licensor shall give Licensee notice and a copy of each Security Agreement and any other instrument relating thereto (including, but not limited to, instruments providing for the payment of the License Fees directly to an assignee or transferee) at least two weeks prior to the effective date thereof.

(e) Licensor shall not furnish any information concerning Licensee or the subject matter of this Agreement (including, but not limited to, offering memoranda, financial statements, economic and demographic information, and legal opinions rendered by the Office of the City Attorney) to any person or entity, except with Licensee's prior written consent which consent shall not be unreasonably withheld. Without violating the provisions of this Section, Licensor may use and distribute, or cause to be distributed by the underwriters for the Bonds, any of the information referred to in this paragraph in connection with the marketing and sale of the Bonds. Licensor shall indemnify, defend and hold Licensee and its officers, agents and employees harmless from and against all claims and liability alleged to arise from the inaccuracy or incompleteness of any information furnished by Licensor in violation of this Section 23.

(f) The provisions of this Section 23 shall be binding upon and applicable to the parties hereto and their respective successors and assigns. Whenever in this Section 23 Licensor is referred to, such reference shall be deemed to include Licensor's successors or assigns, and all covenants and agreements by or on behalf of Licensor herein shall bind and apply to Licensor's successors and assigns whether so expressed or not.

(g) After the issuance of the Bonds and, so long as the Bonds are outstanding, Licensor may not assign, transfer, mortgage, hypothecate or encumber Licensor's right, title and interest in and to this Agreement or any portion thereof (including the right to receive the License Fees but excluding its duties and obligations hereunder) without the written consent of the Licensee.

Section 24. Insurance.

(a) During the period of construction, installation and equipping of the Parking Facility, Licensor shall provide, or cause to be provided, the following forms and amounts of insurance. Such insurance shall be primary to and not contributing with any other insurance maintained by Licensee, and shall name Licensee and the Trustee as additional insureds, and shall include, but not be limited to:

(i) Builders Special Form Causes of Loss insurance, but excluding earthquake, flood, terrorism and mold coverage, covering the entire work, against loss or damage until completion and acceptance by Licensee. Insurance shall be in an amount equal to the replacement value of the Parking Facility. Deductibles not exceeding \$50,000 will be allowed, other than earthquake coverage, with respect to which deductibles not exceeding 10% of the replacement cost of the Facilities will be allowed;

(ii) Commercial general liability insurance endorsed for Premises-Operations, Products/Completed Operations, and Contractual Liability, with a per occurrence limit of not less than \$2,000,000;

(iii) Business Auto Liability endorsed for all owned and non-owned vehicles with a combined single limit of at least \$1,000,000 per occurrence; and

(iv) A program of Workers' Compensation insurance in an amount and form to meet all applicable requirements of the Labor Code of the State and which specifically covers all persons providing services on behalf of Borrower and all risks to such persons under this Agreement.

(b) Following the Commencement Date and during the term of this Agreement, Licensor shall provide, or cause to be provided, the following forms and amounts of insurance. Such insurance shall be primary to and not contributing with any other insurance maintained by Licensee, and shall name Licensee and the Trustee as additional insureds, and shall include, but not be limited to:

(i) Insurance against loss or damage for such perils ordinarily covered under a Special Form Causes of Loss Coverage, including sprinkler leakage, but excluding earthquake, flood, terrorism or mold coverage, in an amount equal to the greater of the full replacement cost of the Parking Facility or the Outstanding amount of Bonds. The replacement cost of the Parking Facility shall be reviewed by Licensor at least every two (2) years to assure sufficient coverage as required hereby. Licensor shall use all reasonable efforts to obtain, to the extent commercially reasonable and available, from the insurer of the property coverage required under this subsection, an endorsement or guaranty from the insurer in a form and substance reasonably acceptable to Licensee and the Trustee assuring that during the policy term, the coverage will be sufficient to pay the full cost of repair or replacement of the Parking Facility in the event of a loss insured by the policy. Such policy may provide for deductibles not exceeding \$100,000 and 10% of replacement cost for loss sustained by earthquake; provided, however, that earthquake insurance coverage shall be provided for the Parking Facility in an

amount reasonable and customary for properties similar to the Parking Facility but only to the extent earthquake insurance coverage is available from reputable insurers at commercially reasonable rates and terms.

(ii) Loss of business income insurance coverage in an amount sufficient to pay an amount equal to the aggregate of (A) the maximum Loan Payments payable under the Loan Agreement for a period of at least 24 months without taking into account the License Fees payable by Licensee, and (B) all debt service payable by Licensor pursuant to the BGIF Loan Agreement;

(iii) A program of Workers' Compensation insurance in an amount and form to meet all applicable requirements of the Labor Code of the State and which specifically covers all persons providing services on behalf of Borrower and all risks to such persons under the Loan Agreement and this Agreement;

(iv) Commercial general liability insurance with coverage of not less than \$1,000,000 per occurrence for third-party liability bodily injury and property damage arising from Licensor's activities. The liability limit for commercial general liability insurance shall be reviewed by Licensor on the fifth anniversary of the Commencement Date and every five years thereafter to determine a reasonable limit (which may be increased or decreased by Licensor) based on the reasonable and customary amounts of general liability insurance coverage provided for operations similar in character to the Parking Facility and on the amounts of coverage then generally accepted as providing the same degree of insurance protection as exists upon the Commencement Date taking into account increased legal or practical risks, the sizes of judgment awards generally, and the costs of defending claims and actions; and

(v) Fidelity bonds or other insurance, including computer fraud, in an amount not less than \$500,000 on all officers and employees of the Borrower or the Parking Facility Manager who collect or have custody of or access to revenues, receipts or income of the Borrower.

(c) Licensor shall name Licensee and the Trustee as additional insureds on each of the applicable policies of insurance noted above (except liability and workers' compensation policies). The insurance policy or policies shall be placed only with Reputable Insurance Companies and the premiums therefore shall be reasonable and comparable with the premiums charged by comparable companies for comparable risk. The proceeds shall be payable to Licensor, the Trustee and Licensee as their interests may appear. The policy or policies shall not be cancelable without 30 days' prior written notice to Licensee and the Trustee. Licensor shall provide written notice to Licensee and the Trustee of the date of expiration of any policy maintained pursuant to this Agreement, no earlier than 120 days and no later than 60 days prior to such date of expiration, and shall provide notice to Licensee and the Trustee of the alternate policy or policies to be obtained by Licensor to ensure compliance with the provisions of this Agreement.

(d) Under no circumstances shall the insurance coverages required by this Agreement be provided by a self-insurance program of Licensor.

(e) Licensor shall review the adequacy of the insurance requirements set forth in this Section 24 from time to time (but not less frequently than once every two (2) years), commencing January 1, 2008, to ensure that the Parking Facility and Licensor and Licensee are adequately protected from the risks associated with the operation and management of the Parking Facility and shall provide a written report to Licensee of such analysis. Licensor may and, at the written request of Licensee shall, increase the amount of insurance coverage provided in this Section 24 to such levels as Licensor or Licensee, as applicable, deems reasonably necessary to protect the Parking Facility and Licensor and Licensee. Notwithstanding any other provision hereof, in the event that any insurance required hereunder is not available at any price from Reputable Insurance Companies, Licensor shall not be required to obtain such insurance during the period it is not available, and Licensor shall notify Licensee and the Trustee of the unavailability of any insurance. Notwithstanding the preceding sentence, if Licensor becomes aware that any insurance required hereunder which Licensor has determined is not available at any price is in fact available from a Reputable Insurance Company, Licensor shall obtain such insurance from such Reputable Insurance Company.

(f) Licensor hereby covenants that it will use its best efforts to apply for any grants, loans or other relief available from the State or federal government to obtain amounts necessary to rebuild any portion of the Parking Facility destroyed or damaged in connection with an uninsured or underinsured calamity causing destruction or damage.

(g) Each insurance policy required by this Section 24 shall be carried by insurance companies authorized to do business in the State which are financially responsible and capable of fulfilling the requirements of such policies and acceptable to Licensee. All such policies (except liability and workers' compensation policies) shall name Licensee, Licensor and the Trustee as insured parties, beneficiaries and loss payees as their interests may appear. Each policy shall be in such form and contain such provisions as are generally considered standard for the type of insurance involved and shall contain a provision to the effect that the insurer shall not cancel or substantially modify the policy provisions without first giving at least thirty (30) days written notice thereof to Licensor, Licensee and the Trustee. In lieu of separate policies, Licensor may maintain blanket policies which cover any one or more risks required to be insured against. Licensor shall file at least annually, at the beginning of each License Year, commencing January 1, 2006 with Licensee and the Trustee a Statement setting forth the policies of insurance maintained pursuant to this Agreement, the names of the insurers and insured parties, the amounts of such insurance and applicable deductibles, the risks covered thereby and the expiration dates thereof, and stating whether Licensor is in compliance with the insurance requirements of this Agreement.

Section 25. Casualty/Condemnation. If at any time the Parking Facility (or any part thereof) shall be damaged or destroyed by fire or other casualty, or acquired or condemned for any public or quasi-public use or purpose, then (so long as this Agreement remains in full force and effect) this Agreement shall not terminate as to the Parking Spaces that are not taken or

destroyed. Any reduction in the number of Parking Spaces in the Parking Facility shall result in a proportionate reduction in the number of Parking Spaces available to both Licensor and Licensee (based upon the total number of Parking Spaces available to each prior to such casualty or condemnation). Licensee and the general public shall have full rights of ingress and egress to the remaining Parking Spaces allocated to Licensee for the purpose of utilizing such Parking Spaces. If any such reductions in the number of available Parking Spaces in the Parking Facility are temporary, then once the Parking Spaces are restored, Licensee shall again be entitled to one hundred forty (140) Parking Spaces in accordance with Section 3 of this Agreement.

Section 26. Purchase of Parking Facility. Licensor acknowledges that the City has provided significant financial resources to Licensor to further the development of the Parking Facility and has made a substantial financial commitment under this Agreement to ensure the success of the Parking Facility. Licensor and Licensee acknowledge that Licensor has granted a first priority security interest in the Parking Facility to the Authority pursuant to the Deed of Trust, which security interest has been assigned to the Trustee as security for the Bondholders. Licensor and Licensee further acknowledge and agree that a subordinate security interest in the Parking Facility would not adequately protect the City's investment in the Parking Facility. Accordingly, in the event Licensor defaults in any of its obligations under this Agreement, Licensor hereby irrevocably grants to Licensee the option to purchase the Parking Facility under the terms and conditions set forth in this Section 26. The purchase price for the purchase of the Parking Facility upon the occurrence and continuance of a default by Licensor shall be equal to the amount required to pay the remaining principal of and interest on the Bonds for the balance of the term thereof. Licensee's assumption of the obligation to make the remaining payments of principal of and interest on the Bonds shall be deemed sufficient evidence of the payment of the purchase price.

(a) Licensee shall provide written notice to Licensor and the Trustee of its intent to exercise its option to purchase the Parking Facility from Licensor pursuant to this Section 26 within thirty (30) days of Licensor's default under this Agreement or thirty (30) days of the receipt of written notice from the Trustee indicating that Licensor is in default under the any of the Bond Documents.

(b) Within thirty (30) days prior to the scheduled purchase date, Licensee and Licensor shall deliver to Trustee an assumption agreement pursuant to which Licensee assumes Licensor's obligations under the Bond Documents and any personal obligations of Mark J. Weinstein with respect to the Bonds.

(c) Within fifteen (15) days of the delivery of the assumption agreement Licensor shall deposit or cause to be deposited with Licensee a recordable grant deed conveying title to the Parking Facility to Licensee effective on the purchase date and any other documents necessary to accomplish the purchase of the Parking Facility.

Section 27. Parking Enforcement. Licensor reserves the right to ticket, demobilize, or tow at the vehicle owner's expense any vehicle parked in the Parking Spaces in violation of the terms hereof or in violation of the rules and regulations imposed by Licensor upon users in the Parking Facility.

Section 28. Estoppels. The Parties agree, from time to time within fifteen (15) days after the request of the other party, to execute and deliver an estoppel certificate confirming each of the following: (a) that this Agreement is in full force and effect and that no default exists hereunder (or if a default does exist, then a statement to that effect and a detailed explanation of the nature of such default); (b) the amount of License Fees and Operating Expenses due hereunder at the time the estoppel certificate is delivered to the requesting party; (c) the current name and address of the party delivering such certificate; and (d) such other information as may be reasonably requested by the party requesting the estoppel certificate.

Section 29. Reservation; Renovation; Reconfiguration. Subject to Licensor's obligations hereunder to furnish the Public Parking Spaces in accordance with the terms and provisions hereof, Licensor reserves the right to re-stripe, renovate, restore, reconstruct, and reconfigure the Parking Facility at such times as Licensor deems necessary or desirable, and Licensee agrees to cooperate with Licensor and comply with the reasonable requests of Licensor during any such period. Licensor agrees that any such re-striping, renovation, restoration, reconstruction, or reconfiguration shall be performed in a nondiscriminatory manner and, during and after any such work, Licensee and visitors shall be treated consistently with other parkers in the Parking Facility. Nothing contained in this Section shall be construed to conflict with the casualty and condemnation provisions contained in Section 25 hereof, it being understood by the Parties that the rights and obligations of Licensor in either such event shall be governed by this Agreement and that Licensee's rights will be limited to those set forth in Section 25 hereof.

Section 30. Easement and Encumbrances of Record. The parties acknowledge that this Agreement is subject to easements, covenants and encumbrances of record and to the terms and conditions of the Ground Lease.

Section 31. Mediation. Except as provided herein, no civil action with respect to any dispute, claim or controversy arising out of or relating to this Agreement may be commenced until the matter has been submitted to a Dispute Resolution Service for mediation. Either party may commence mediation by providing to a Dispute Resolution Service and the other party a written request for mediation, setting forth the subject of the dispute and the relief requested. The parties will cooperate with the Dispute Resolution Service and with one another in selecting a mediator from the Dispute Resolution Service's panel of neutral mediators, and in scheduling the mediation proceedings. The parties covenant that they will participate in the mediation in good faith, and that they will share equally in its costs; provided, however, that such costs shall not be paid out of the Maple Avenue Parking Fund. All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by any of the parties, their agents, employees, experts and attorneys, and by the mediator and any Dispute Resolution Service employees, are confidential, privileged and inadmissible for any purpose, including impeachment, in any litigation or other proceeding involving the parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation. Either party may seek equitable relief prior to the mediation to preserve the status quo pending the completion of that process. Except for such an action to obtain equitable relief, neither party may commence a civil action with respect to the matters submitted to mediation until after the completion of the initial mediation session, or forty-five (45) days after the date of filing the written request for mediation, whichever occurs first. Mediation may continue after the commencement of a civil action, if the parties so desire.

The provisions of this Section may be enforced by any court of competent jurisdiction, and the party seeking enforcement shall be entitled to an award of all costs, fees and expenses, including attorney's fees, to be paid by the party against whom enforcement is ordered.

Section 32. Headings and Titles. The headings and titles of this Agreement are not a part of this Agreement and shall have no effect upon the construction or interpretation of any part of this Agreement; words of any gender used in this Agreement shall be held to include any other gender and words in the singular number shall be held to include the plural, when the sense requires.

Section 33. Notices. All notices to be given hereunder shall be given in writing by personal delivery by a nationally or regionally recognized courier service or by depositing the same in the United States mail duly registered or certified, with postage prepaid, and addressed as follows:

Licensor: 636 Maple Avenue Intermodal
Parking Facility, LLC
1640 Fifth Street, Suite 112
Santa Monica, California 90401
Attention: Mark J. Weinstein
Telephone: (310) 395-3430 ext. 17
Facsimile: (323) 395-3145

With a copy to: Eugene Cowan, Esq.
Bingham McCutchen LLP
355 South Grand Avenue, Suite 4400
Los Angeles, California 90071
Telephone: (213) 229-8515
Facsimile: (213) 830-8762

Licensee: City of Los Angeles
Department of Transportation
221 North Figueroa, Suite 500
Los Angeles, California 90012
Attention: Principal Transportation Engineer
Telephone: (213) 580-1195
Facsimile: (213) 580-1188

or addressed to such other addresses the Parties hereto may from time to time designate in the manner set forth herein. Each party agrees to notify the other of any change in address for such party, and if any interest in this Agreement is transferred to another party, the transferring party agrees to notify (or cause to be notified) the non-transferring party of the new notice address for the transferee.

Section 34. Relationship. Nothing herein contain shall be deemed or construed by the Parties hereto or by any third party as creating the relationship of principal and agent, or of partnership or joint venture, between the Parties hereto. No provision contained herein or any of

the acts of the Parties shall be deemed to create any relationship between the Parties other than the relationship of Licensor and Licensee.

Section 35. Waiver. No waiver by the Parties of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent default by the other party under the same or any other provision. Licensor's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Licensor's consent to or approval of any subsequent act by Licensee. The acceptance of the License Fees hereunder by Licensor shall not be a waiver of any preceding default by Licensee of any provision hereof, other than the failure of Licensee to pay the particular License Fees accepted, regardless of Licensor's knowledge of such preceding default at the time of acceptance of such License Fees.

Section 36. Time is of the Essence. Time is of the essence of each provision of this Agreement.

Section 37. Successors and Assigns. Subject to the provisions of Section 12 of this Agreement, all of the terms, covenants, conditions, and agreements herein contained shall be binding upon and shall inure to the benefit of the legal representatives, successors, and permitted assigns of the Parties.

Section 38. Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State.

Section 39. Construction. The Parties have negotiated this Agreement, have had an opportunity to be advised respecting the provisions contained herein, and have had the right to approve each and every provision hereof; therefore, this Agreement shall not be construed against either Licensor or Licensee as a result of the preparation of this Agreement by or on behalf of either party.

Section 40. Partial Invalidity. If any covenant, term or condition of this Agreement or any application thereof shall be illegal, invalid, or unenforceable under present or future laws effective during the Term hereof such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part hereof; and the remaining provisions hereof shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance therefrom.

Section 41. Entire Agreement. This Agreement embodies the entire agreement between the Parties relating to the subject matter hereof, supersedes all prior agreements and understandings, if any, relating to the subject matter hereof, and may be amended only by an instrument in writing executed jointly by Licensor and Licensee and supplemented only by documents delivered or to be delivered in accordance with the expressed terms hereof.

Section 42. Multiple Counterparts. This Agreement may be executed in a number of identical counterparts, each of which shall constitute an original and all of which shall constitute, collectively, one agreement; but in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

Section 43. Recordation. This Agreement may be recorded in the public records of Los Angeles County, California, or a memorandum evidencing this Agreement may be recorded in the public records of Los Angeles County, California, to evidence the rights and obligations of the Parties hereunder.

Section 44. Subordination, Attornment and Non-Disturbance. Licensee shall subordinate this Agreement and its rights hereunder to any present or future mortgage or lease covering the Site or any portion thereof, provided that the mortgagee or lessee requesting such subordination agrees to recognize Licensee and its rights hereunder and not to disturb Licensee upon any foreclosure under the mortgage, or eviction under the lease, covering the Site. Upon any foreclosure (or deed in lieu thereof) under such mortgage, or any eviction under such lease, Licensee agrees to attorn to the mortgagee, lessee or other purchaser of the Site (or such portion thereof). In furtherance of the foregoing, Licensee agrees, upon the request of such mortgagee or lessee, to enter into a recordable subordination, attornment, and non-disturbance agreement in form reasonably satisfactory to both Licensee and the mortgagee or lessee. Neither any present mortgagee or lessee nor any future mortgagee or lessee of all or any portion of the Site shall have any obligations under this Agreement unless such mortgagee or lessee shall actually become an owner of a fee or leasehold interest therein, and such obligations shall be limited to those accruing during the period of ownership of such mortgagee or lessee.

Section 45. Confidentiality. The Parties, agree to keep confidential any information received pursuant to the terms of this Agreement and not to disclose such information to any other party unless such disclosure is required under applicable law.

Section 46. Force Majeure. Any prevention, delay or stoppage of work to be performed by the Parties that is due to strikes, labor disputes, inability to obtain labor, materials, equipment or reasonable substitutes therefor, acts of God, governmental restrictions or regulations or controls, judicial orders, enemy or hostile government actions, civil commotion, fire or other casualty, or other causes beyond the reasonable control of the party obligated to perform hereunder, shall excuse performance of the work by that party for a period equal to the duration of that prevention, delay or stoppage.

Section 47. Authorized Representatives. All actions, consents and approvals of Licensee under this Agreement shall be taken or given by the General Manager of the Department of Transportation of the City of Los Angeles. All actions, consents and approvals of Licensor under this Agreement shall be taken or given by Mark J. Weinstein, as President of MJW Investments, Inc., the Manager of Licensor.

IN WITNESS WHEREOF, this Agreement has been duly executed b the Parties hereto as of the date first above written.

636 MAPLE AVENUE INTERMODAL
PARKING FACILITY, LLC
a California Limited Liability Company

By MJW Investments, Inc.,
a California corporation

By: _____
Mark J. Weinstein, President

CITY OF LOS ANGELES,
a municipal corporation and charter city

By: _____
Wayne K. Tanda, General Manager

APPROVED AS TO FORM AND LEGALITY

ROCKARD J. DELGADILLO, CITY ATTORNEY

By _____
Margie Currier, Deputy City Attorney

EXHIBIT A

DEFINITIONS

“Abated Percentage of the Parking Facility” means a percentage equal to the fraction of which the numerator is the number of Public Parking Spaces that are not available to the general public immediately after the Abatement Event and the denominator is equal to the total number of Public Parking Spaces available to the general public immediately prior to the Abatement Event.

“Abatement Event” means the destruction of, or material damage to, all or any portion of the Parking Facility and the Public Parking Spaces by fire, earthquake, riot, storm, war, or by any other casualty beyond the control of Licensor or Licensee so that any or all of the Public Parking Spaces are no longer available for use by the general public. An Abatement Event shall not include the failure of Licensor to properly maintain the Public Parking Spaces in accordance with this Agreement.

“Additional Loan Payments” means all of the payments so designated and required to be made by the Borrower pursuant to a Supplemental Loan Agreement.

“Authority” means the Industrial Development Authority of the City of Los Angeles, a public, corporate instrumentality of the State.

“Bond Documents” means the Loan Agreement, the Indenture, the Tax Regulatory Agreement and the Empowerment Zone Facility Bond Compliance Agreement.

“Bonds” means the Industrial Development Authority of the City of Los Angeles Empowerment Zone Facility Revenue Bonds, Series 2004 (636 Maple Avenue Intermodal Parking Facility, LLC Project), dated _____, 2004.

“CDBG/UDAG Agreement” means Agreement No. _____, dated as of _____, 2004, by and between the Licensee and the Licensor relating to application of certain funds of the Licensee for the Project.

“Certificate of Acceptance” means the written notification from Licensee to Licensor and the Trustee evidencing Licensee’s acceptance of the Public Parking Spaces.

“Design/Build Agreement” means the _____, dated as of _____, by and between Licensor and Design/Builder providing for the design and construction of the Parking Facility by the Design/Builder.

“Design/Builder” means _____.

“Dispute Resolution Service” means JAMS or its successor or any other dispute resolution service agreed to by Licensor and Licensee.

“Empowerment Zone Facility Bond Compliance Agreement” means the Empowerment Zone Facility Bond Compliance Agreement, dated as of _____, 2004, by and among the Authority, the City and the Borrower, as such Empowerment Zone Compliance Agreement shall be amended from time to time.

“Estimated Operating Costs” means the estimated costs reasonably expected to be paid or incurred by Licensor during each License Year in connection with operating, repairing, maintaining and replacing the Parking Facility, including the costs for the services and obligations imposed on Licensor in this Agreement.

“Governmental Authority” means any nation or government, any federal, state, local or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

“Grant and Loan Agreements” means the CDBG/UDAG Agreement, the _____.

“Guarantee” means any obligation of Licensor guaranteeing in any manner, whether directly or indirectly, an obligation of any Person which would, if such Person were Licensor, constitute Indebtedness.

“Hazardous Substances” means (a) any oil, flammable substance, explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances or any other wastes, materials or pollutants which (i) pose a hazard to the Premises or to persons on or about the Premises or (ii) cause the Premises to be in violation of any Environmental Regulation; (b) asbestos in any form which is or could become friable, urea formaldehyde foam insulation, transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls, or radon gas; (c) any chemical, material or substance defined as or included in the definition of “waste,” “hazardous substances,” “hazardous wastes,” “hazardous materials,” extremely hazardous waste,” “restricted hazardous waste,” or “toxic substances” or words of similar import under any Environmental Regulation including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), 42 USC §§ 9601 et seq.; the Resource Conservation and Recovery Act (“RCRA”), 42 USC §§ 6901 et seq.; the Hazardous Materials Transportation Act, 49 USC §§ 1801 et seq.; the Federal Water Pollution Control Act, 33 USC §§ 1251 et seq.; the California Hazardous Waste Control Law (“HWCL”), Cal. Health & Safety §§ 25100 et seq.; the Hazardous Substance Account Act (“HSAA”), Cal. Health & Safety Code §§ 25300 et seq.; the Underground Storage of Hazardous Substances Act, Cal. Health & Safety §§ 25280 et seq.; the Porter Cologne Water Quality Control Act (the “Porter Cologne Act”), Cal. Water Code §§ 13000 et seq., the Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65); and Title 22 of the California Code of Regulations, Division 4, Chapter 30; (d) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental authority or agency or may or could pose a hazard to the health and safety of the occupants of the Premises or the owners and/or occupants of property adjacent to or surrounding the Premises, or any other person coming upon the Premises or adjacent property; (e) any other chemical, materials or substance which may or could pose a hazard to the environment.

"Holidays" means any day on which the office of the City of Los Angeles is closed for business.

"Indebtedness" means (a) any Guarantee and (b) any indebtedness or obligation of Licensor (other than accounts payable and accruals), as determined in accordance with generally accepted accounting principles, including obligations under conditional sales contracts or other title retention contracts, rental obligations under leases which are considered capital leases under generally accepted accounting principles.

"Indenture" means the Indenture, dated as of _____ 1, 2004, between the Authority and the Trustee, as originally executed and as it may from time to time be supplemented, modified or amended in accordance with the terms thereof.

"Leasehold Estate" means the rights granted to Licensor pursuant to the Ground Lease.

"Letter of Credit" means an irrevocable letter of credit issued by a financial institution with a branch in Los Angeles, California, acceptable to Licensee.

"Letter of Credit Amount" an amount equal to one-half of the maximum annual debt service due on the Bonds.

"License Fees" means a monthly amount equal to the \$[total amount of 1/24th principal and 1/12th amount of interest due on next succeeding principal and interest payment dates for the Bonds].

"License Year" means the period commencing on January 1 following the Commencement Date and ending on the following December 31 and each calendar year thereafter until the Termination Date; provided, however, to the extent the Commencement Date does not occur on January 1, the period from the Commencement Date to the following December 31, and the period from January 1 to the Termination Date shall be deemed License Years.

"Lien" means any mortgage or pledge of, security interest in, or encumbrance on, the Parking Facility, the Leasehold Estate or the Revenues, excluding liens applicable to Parking Facility, the Leasehold Estate or the Revenues created in connection with the issuance of the Bonds.

"Loan Agreement" means that certain loan agreement, dated as of ____ 1, 2004, by and between the Borrower and the Authority, as originally executed and as it may from time to time be supplemented, modified or amended in accordance with the terms thereof and of this Indenture.

"Master Indenture" means the Master Trust Indenture, dated as of April 1, 1999, by and between the City and U.S. Bank Trust National Association (the predecessor to U.S. Bank National Association), as trustee (the "Trustee"), as supplemented by the First Supplemental Trust Indenture, dated as of April 1, 1999, by and between the City and the Trustee, the Second

Supplemental Trust Indenture, dated as of February 1, 2003, by and between the City and the Trustee, as the same may be supplemented or amended.

“Operating Costs” means any and all expenses paid or incurred by Licensor or on Licensor’s behalf, including, without limitation, Property Taxes, casualty insurance premiums and all other expenses relating to the management, repair, security, maintenance and operation of the Parking Facility; provided however that the following costs and expenses shall be excluded from Operating Costs: any moneys for the operation, upkeep, repair, insurance or security of the MTA Component; repair, replacements and general maintenance paid by proceeds of insurance or by Licensee or other third parties; principal, interest, amortization or other payments on loans to Licensor; depreciation; leasing commissions; moving or relocation costs; income, inheritance and transfer taxes; the cost of repairing/restoring the Parking Facility if destroyed by casualty or affected by condemnation; costs incurred in selling any interest in the Parking Facility or the Parking Facility; costs of all goods and services for which Licensee or a third party directly reimburses Licensor; and costs for which Licensor is reimbursed by insurance or which are otherwise recovered or recoverable from third parties but not replacement of the Parking Facility.

“Operating Reserve Fund Requirement” means an amount equal to the average Estimated Operating Costs for the Parking Facility for a three month period calculated on the Commencement Date and each anniversary of the Commencement Date.

“Parking Facility Manager” means a person or firm experienced in the management of commercial parking facilities selected by Licensor with the consent Licensee, which consent shall not be unreasonably withheld.

“Parking Revenue Bonds” means any evidence of indebtedness of the City issued under and in accordance with the provisions of Article II of the Master Indenture, including, but not limited to, bonds, notes, bond anticipation notes, commercial paper and other instruments creating an indebtedness of the City pursuant to the Master Indenture.

“Person” means an individual, corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

“Project” means the design, construction and installation of the Parking Facility.

“Property Taxes” means any taxes, assessments, levies, imposts, duties or other charges imposed by any government, political subdivision or taxing authority on the ownership or use of the Parking Facility.

“Public Operating Hours” means the days and hours during each week that the Parking Facility is open for use by the general public as established pursuant to Section 10(b) of this Agreement.

“Public Parking Hours” means the hours of 9:00 a.m. and 5:00 p.m., Monday through Saturday of each week during the Term of this Agreement.

“*Public Parking Spaces*” means one hundred forty (140) unassigned Parking Spaces in the Parking Facility during the Public Parking Hours.

“*Rebate Fund*” shall have the meaning set forth in the Indenture.

“*Release*” means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing, depositing or dispersing into the indoor or outdoor environment or into or out of the property, including, but not limited to, the movement of Hazardous Substances through or in the air, soil, surface water, groundwater or the property and the abandonment or discard of barrels, containers, and other open or closed receptacles containing any Hazardous Substances.

“*Remedial Action*” means actions related to (a) cleaning up, removing, treating or in any other way addressing Hazardous Substances in the indoor or outdoor environment; (b) preventing or minimizing the Release or threat of Release of Hazardous Substances so that Hazardous Substances do not migrate or endanger or threaten to endanger public health or welfare or the indoor or outdoor environment; and (c) collecting environmental data or performing pre remedial studies and investigations and performing operations and maintenance and postmeridian monitoring and care.

“*Reputable Insurance Company*” means an insurance company with a claims paying rating by A.M. Best that is at least equal to the claims paying rating of those insurance companies which are generally acceptable to landlords owning, and institutional lenders holding security interests in, real properties which are similar to the Parking Facility with respect to type of construction, condition and age.

“*Requirement of Law*” means any federal, state or local statute, ordinance, rule or regulation, any judicial or administrative order (whether or not on consent), request or judgment, any common law doctrine or theory, and any provision or condition of any permit or other binding determination of any Governmental Authority.

“*Reserve Fund*” shall have the meaning set forth in the Indenture.

“*Reserve Fund Requirement*” shall have the meaning set forth in the Indenture.

“*Residential Development*” means the residential development located at _____.

“*Residential Development Tenants*” means individuals residing at the Residential Development.

“*Residential Development Developer*” means MJW Investments, Inc., or any successor thereto.

“*Revenues*” for any period including and subsequent to the Commencement Date means, all moneys, fees, rates, receipts, rentals, licensing fees, charges, issues and income received for, received by or derived from, Licensor, the operation of Licensor or the Parking Facility or any

other source whatsoever, including, without limitation, insurance proceeds or condemnation awards, and all rights to receive the same, whether in the form of accounts, accounts receivable, contract rights or other rights and the proceeds of the same whether now owned or held or hereafter coming into being, all computed in accordance with GAAP in a manner consistently applied.

"Security Costs" means the following costs incurred by Licensor in the performance of its Security Obligations: (1) the costs of maintenance, repair and replacement of security equipment, including, without limitation, motor vehicles, cameras, alarms systems, monitors, speakers, radios and other communication devices in the Parking Facility, which costs shall include any lease payments for such equipment; (2) the costs of utility services necessary for the operation of security equipment; and (3) the costs of employing on-site security personnel, including, without limitation, wages, salary, benefits, vacation, overtime, payroll taxes and training for patrol officers and supervisory personnel as Licensor determines in its reasonable discretion, to be sufficient to provide security consistent with other similarly situated parking structures in the City. Security Costs shall not include any costs (A) which are capital in nature unless approved in advance by Licensee, which approval shall not be unreasonably withheld or delayed, and which approval shall be deemed given if the Licensee fails to disapprove any submission related to security within twenty (20) business days after request □therefore, (B) related to the provision of security on the MTA Component, (C) any fee or profit to Licensor in the performance of its Security Obligations, and (D) the costs of the initial acquisition and installation of security equipment in the Parking Facility.

"Security Obligations" means those duties and responsibilities of Licensor with respect to the level of security to be maintained at the Parking Facility set forth in Section 10(m).

"Special Parking Revenue Fund" means the fund of that name established pursuant to City Ordinance No. 143,157 effective May 4, 1972, as amended by City Ordinance No. 172,281, effective December 14, 1998, and codified in Section 5.117 of the Los Angeles Administrative Code.

"State" means the State of California.

"Supplemental Indenture" means any indenture hereafter duly authorized and entered into between the Authority and the Trustee, supplementing, modifying or amending the Indenture; but only if and to the extent that such Supplemental Indenture is specifically authorized under this Indenture.

"Supplemental Loan Agreement" means any loan hereafter duly authorized and entered into between the Authority and the Borrower, supplementing, modifying or amending the Loan Agreement; but only if and to the extent that such Loan Agreement is specifically authorized under the Loan Agreement and this Indenture.

"Tax Agreement" means the Tax Regulatory Agreement, dated as of ____ 1, 2004, by and among the Licensee, the Authority and the Trustee, as amended from time to time in connection with the issuance of the Series 2004 Bonds.

“Trustee” means a state banking corporation or a national banking association and any successor thereto named under the Indenture pursuant to which the Bonds are issued and delivered.

EXHIBIT B

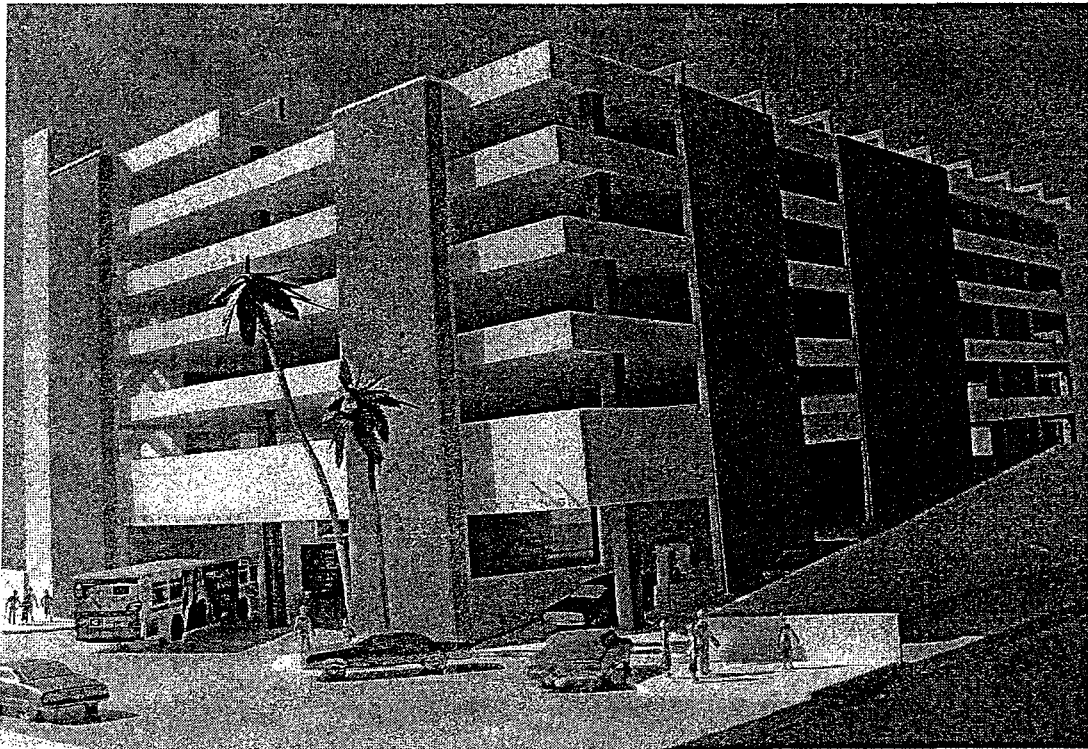
Description of Property

EXHIBIT C

Certification of Compliance with Child Support Obligations

636 Maple Avenue Intermodal Parking Structure LLC
Financial Analysis

FOR LENDER REVIEW



DEVELOPER
636 Maple Avenue Parking Structure LLC

636 Maple Avenue Intermodal Parking LLC
Funding Sources and Uses (Preliminary)
 Revised as of 9-13-04

Project Component	A	=	BONDS	+	PUBLIC FUNDING					=	B
	TOTAL PROJECT COST				Interest Earning	UDAG Grant	SBA Grant	BGIF Loan	Total		TOTAL FUNDING
Land Acquisition	\$ 600,000						\$ 600,000		\$ 600,000		\$ 600,000
Architectural & Engineering	\$ 230,000						\$ 230,000		\$ 230,000		\$ 230,000
Fees, Legal, Permits	\$ 110,000		\$ 110,000						\$ -		\$ 110,000
Construction - Hard Costs	\$ 6,925,350		\$ 5,632,018			\$ 1,200,482			\$ 1,293,332		\$ 6,925,350
SOLAR PANELS (Hard Cost)	\$ 100,000						\$ 100,000		\$ 100,000		\$ 100,000
Bond Costs											\$ -
Costs of Issuance	\$ 376,398		\$ 111,398					\$ 265,000	\$ 265,000		\$ 376,398
Underwriter's Discount	\$ 150,100		\$ 150,100						\$ -		\$ 150,100
Capitalized Interest Fund	\$ 612,134		\$ 612,134						\$ -		\$ 612,134
Construction/Operating Reserve	\$ 257,500		\$ 257,500						\$ -		\$ 257,500
Deposit to Debt Service Reserve Fund	\$ 631,850		\$ 631,850						\$ -		\$ 631,850
Construction Management Fee	\$ 90,000							\$ 90,000	\$ 90,000		\$ 90,000
City Administrative Fees	\$ 145,000						\$ 70,000	\$ 75,000	\$ 145,000		\$ 145,000
Developer's Overhead & Fees	\$ 400,000				\$ 32,017	\$ 297,983		\$ 70,000	\$ 400,000		\$ 400,000
Contingencies									\$ -		\$ -
Estimated Construction Fund Interest Earning											
Rounding	\$ 1,535					\$ 1,535			\$ 1,535		\$ 1,535
TOTAL	\$ 10,629,867		\$ 7,505,000		\$ 32,017	\$ 1,500,000	\$ 1,092,850	\$ 500,000	\$ 3,124,867		\$ 10,629,867

636 Maple Avenue Intermodal Parking Structure, LLC

Explanation of Funding Sources

<u>Grants</u>	<u>Description</u>	<u>Amount</u>	<u>Source of Repayment</u>
SBA Grant	A line-item in the Federal budget specifically allocated to this project. Designed to encourage economic development and job creation.	\$ 1,092,850	No repayment required
UDAG	UDAG: City of Los Angeles grant funds allocated at the discretion of the City Council and the Mayor	\$ 1,500,000	Service Payback
 <u>City Funds</u>			
BGIF	BGIF: City of Los Angeles grant funds allocated at the discretion of the City Council and the Mayor	\$ 500,000	20-year loan amortized over 18 years, 2 years interest only 5% interest
 <u>Interest Earnings</u>			
Interest Earnings	Interest Earnings on Project Construction Fund	\$ 32,017	No repayment required
 <u>Bonds Secured by Revenue from Project</u>			
Empowerment Zone Bonds	These Empowerment Zone Facility Bonds will be issued by the City of Los Angeles Industrial Development Authority	\$ 7,505,000	Project revenues (Bond amount may vary depending on on interest reserve, capitalized interest and cost of issuance.)
TOTAL SOURCES		<u>\$ 10,629,867</u>	

**636 Maple Avenue Intermodal Parking Structure LLC
Development Cost Summary (Preliminary) Addendum A**

Total parking Spaces 422

<u>Item</u>	<u>Cost</u>	<u>\$/Unit</u>
Up-Front Lease Payment	\$ 600,000	\$1,422
Hard Costs*	\$ 7,025,350	\$16,648
Soft Costs		
Deposit to Debt Service Reserve Fund (DSRF)	\$ 631,850	\$1,497
Deposit to Capitalized Interest (CIF) Fund	\$ 612,134	\$1,451
Developer's Overhead & Fees	\$ 400,000	\$948
Costs of Issuance	\$ 376,398	\$892
Permits, Architect and Engineering	\$ 340,000	\$806
Construction/ Operating Reserve	\$ 257,500	\$610
Total Underwriter's Discount (2.00%)	\$ 150,100	\$356
City Admin Fees	\$ 145,000	\$344
Construction Management Fee	\$ 90,000	\$213
Rounding Amount	\$ 1,535	\$4
Subtotal Soft Costs	<u>\$ 3,004,517</u>	<u>\$ 7,120</u>
TOTAL PROJECT COSTS	<u><u>\$ 10,629,867</u></u>	<u><u>\$25,189</u></u>

* Includes costs of satisfying MTA bus staging area requirements

NOTE: Budget has not been finalized, minor adjustments may be made

636 Maple Ave Intermodal Parking Structure 30-Year Revenue/Expense Projection Report

YEAR	Estimated Gross Revenue							Estimated Operating Expenses & Annual Debt Service			Other Non-Operating Expenses/Contract Obligations				Impact on Special Reserve Parking Fund (SPRF)				
	Tenant and Day Time Monthly Revenue (assume 3% annual raise after Yr 3)	Public Parking (Transient) Revenue (no chg/raise)	Total Gross Parking Revenue	Parking Occupancy Tax (10% of Gross Parking Rev)	Total Net Gross Parking Revenue	Lease Pymt from SPRF for 140 spaces	Interest Maple Ave Trust Reserve Oper'g Fund	Total Net Gross Revenue	Estimated Operating Expenses (assume 2% inflation)	Full Bond Payment - \$7.1 Mil EZ Bonds	Total Estimated Operating Expenses & Debt Service	Net Revenue	To MATF Operating Reserve Fund	Revenue Reimb to SPRF for 140 spaces (cap at \$306,904)	Revenue Reimb to Blk Grant Inv Fund (BGIF) Loan of \$500,000	Final Net Revenue (aft Oth Non-op & Cont Oblig's)	50% profit sharing back to SPRF	net to SPRF (considering \$306,904 payment + 50% profit sharing)	MATF Operating Reserve Fund
1	\$329,940	\$354,059	\$683,999	(\$68,400)	\$615,599	\$306,904	\$0	\$922,503	\$345,705	\$207,113	\$552,818	\$369,685	\$309,705	\$0	\$0	\$59,980	\$29,990	\$29,990	\$309,705
2	\$431,460	\$544,706	\$976,166	(\$97,617)	\$878,550	\$306,904	\$6,194	\$1,191,647	\$309,705	\$601,614	\$911,319	\$280,329	\$0	\$306,904	\$0	\$0	\$0	\$306,904	\$283,130
3	\$507,600	\$544,706	\$1,052,306	(\$105,231)	\$947,076	\$306,904	\$5,663	\$1,259,642	\$316,519	\$606,026	\$922,545	\$337,097	\$30,193	\$306,904	\$0	\$0	\$0	\$306,904	\$313,323
4	\$522,828	\$561,047	\$1,083,875	(\$108,388)	\$975,488	\$306,904	\$6,266	\$1,288,658	\$322,454	\$604,614	\$927,067	\$361,591	\$15,580	\$306,904	\$0	\$39,107	\$19,553	\$326,457	\$328,903
5	\$522,828	\$561,047	\$1,083,875	(\$108,388)	\$975,488	\$306,904	\$6,578	\$1,288,969	\$328,903	\$602,651	\$931,554	\$357,416	\$6,578	\$306,904	\$47,058	\$0	\$0	\$306,904	\$335,481
6	\$522,828	\$561,047	\$1,083,875	(\$108,388)	\$975,488	\$306,904	\$6,710	\$1,289,101	\$335,481	\$600,139	\$935,619	\$353,482	\$0	\$306,904	\$47,058	\$0	\$0	\$306,904	\$335,001
7	\$538,513	\$577,879	\$1,116,392	(\$111,639)	\$1,004,752	\$306,904	\$6,700	\$1,318,356	\$342,191	\$601,939	\$944,129	\$374,227	\$14,034	\$306,904	\$47,058	\$6,231	\$3,116	\$310,020	\$349,034
8	\$538,513	\$577,879	\$1,116,392	(\$111,639)	\$1,004,752	\$306,904	\$6,981	\$1,318,637	\$349,034	\$603,051	\$952,085	\$366,551	\$6,981	\$306,904	\$47,058	\$5,609	\$2,804	\$309,708	\$356,015
9	\$538,513	\$577,879	\$1,116,392	(\$111,639)	\$1,004,752	\$306,904	\$7,120	\$1,318,776	\$356,015	\$603,201	\$959,216	\$359,560	\$5,598	\$306,904	\$47,058	\$0	\$0	\$306,904	\$361,613
10	\$554,668	\$595,215	\$1,149,883	(\$114,988)	\$1,034,895	\$306,904	\$7,232	\$1,349,031	\$363,135	\$602,664	\$965,799	\$383,232	\$8,785	\$306,904	\$47,058	\$20,485	\$10,243	\$317,147	\$370,398
11	\$554,668	\$595,215	\$1,149,883	(\$114,988)	\$1,034,895	\$306,904	\$7,408	\$1,349,207	\$370,398	\$605,776	\$976,174	\$373,033	\$7,408	\$306,904	\$47,058	\$11,663	\$5,831	\$312,735	\$377,806
12	\$554,668	\$595,215	\$1,149,883	(\$114,988)	\$1,034,895	\$306,904	\$7,556	\$1,349,355	\$377,806	\$606,576	\$984,382	\$364,973	\$7,556	\$306,904	\$47,058	\$3,455	\$1,727	\$308,631	\$385,362
13	\$571,308	\$613,072	\$1,184,380	(\$118,438)	\$1,065,942	\$306,904	\$7,707	\$1,380,553	\$385,362	\$606,176	\$991,538	\$389,015	\$7,707	\$306,904	\$47,058	\$27,345	\$13,673	\$320,577	\$393,069
14	\$571,308	\$613,072	\$1,184,380	(\$118,438)	\$1,065,942	\$306,904	\$7,861	\$1,380,707	\$393,069	\$604,576	\$997,645	\$383,062	\$7,861	\$306,904	\$47,058	\$21,238	\$10,619	\$317,523	\$400,931
15	\$571,308	\$613,072	\$1,184,380	(\$118,438)	\$1,065,942	\$306,904	\$8,019	\$1,380,864	\$400,931	\$601,776	\$1,002,707	\$378,157	\$8,019	\$306,904	\$47,058	\$16,177	\$8,088	\$314,992	\$408,949
16	\$588,448	\$631,464	\$1,219,911	(\$121,991)	\$1,097,920	\$306,904	\$8,179	\$1,413,003	\$408,949	\$602,776	\$1,011,725	\$401,277	\$8,179	\$306,904	\$47,058	\$39,136	\$19,568	\$326,472	\$417,128
17	\$588,448	\$631,464	\$1,219,911	(\$121,991)	\$1,097,920	\$306,904	\$8,343	\$1,413,166	\$417,128	\$602,126	\$1,019,254	\$393,912	\$8,343	\$306,904	\$47,058	\$31,607	\$15,804	\$322,708	\$425,471
18	\$588,448	\$631,464	\$1,219,911	(\$121,991)	\$1,097,920	\$306,904	\$8,509	\$1,413,333	\$425,471	\$604,976	\$1,030,447	\$382,886	\$8,509	\$306,904	\$47,058	\$20,415	\$10,207	\$317,111	\$433,980
19	\$606,101	\$650,408	\$1,256,509	(\$125,651)	\$1,130,858	\$306,904	\$8,680	\$1,446,441	\$433,980	\$601,176	\$1,035,156	\$411,285	\$8,509	\$306,904	\$47,058	\$48,813	\$24,407	\$331,311	\$442,490
20	\$606,101	\$650,408	\$1,256,509	(\$125,651)	\$1,130,858	\$306,904	\$8,850	\$1,446,611	\$442,660	\$600,726	\$1,043,386	\$403,225	\$8,680	\$306,904	\$47,058	\$40,584	\$20,292	\$327,196	\$451,169
21	\$606,101	\$650,408	\$1,256,509	(\$125,651)	\$1,130,858	\$306,904	\$9,023	\$1,139,881	\$451,513	\$606,476	\$1,057,989	\$81,892	\$0	\$306,904	\$47,058	\$0	\$0	\$306,904	\$248,527
22	\$624,284	\$669,920	\$1,294,204	(\$129,420)	\$1,164,783	\$306,904	\$4,971	\$1,169,754	\$460,543	\$0	\$460,543	\$709,211	\$221,227	\$0	\$47,058	\$440,926	\$220,463	\$220,463	\$469,754
23	\$624,284	\$669,920	\$1,294,204	(\$129,420)	\$1,164,783	\$306,904	\$9,395	\$1,174,179	\$469,754	\$0	\$469,754	\$704,424	\$9,395	\$0	\$47,058	\$647,971	\$323,986	\$323,986	\$479,149
24	\$624,284	\$669,920	\$1,294,204	(\$129,420)	\$1,164,783	\$306,904	\$9,583	\$1,174,366	\$479,149	\$0	\$479,149	\$695,217	\$9,583	\$0	\$157,058	\$528,576	\$264,288	\$264,288	\$488,732
25	\$643,012	\$690,017	\$1,333,030	(\$133,303)	\$1,199,727	\$306,904	\$9,775	\$1,209,502	\$488,732	\$0	\$488,732	\$720,769	\$9,775	\$0	\$0	\$710,995	\$355,497	\$355,497	\$498,507
26	\$643,012	\$690,017	\$1,333,030	(\$133,303)	\$1,199,727	\$306,904	\$9,970	\$1,209,697	\$498,507	\$0	\$498,507	\$711,190	\$9,970	\$0	\$0	\$701,220	\$350,610	\$350,610	\$508,477
27	\$643,012	\$690,017	\$1,333,030	(\$133,303)	\$1,199,727	\$306,904	\$10,170	\$1,209,896	\$508,477	\$0	\$508,477	\$701,419	\$10,170	\$0	\$0	\$691,250	\$345,625	\$345,625	\$518,647
28	\$662,303	\$710,718	\$1,373,021	(\$137,302)	\$1,235,719	\$306,904	\$10,373	\$1,246,092	\$518,647	\$0	\$518,647	\$727,445	\$10,373	\$0	\$0	\$717,072	\$358,536	\$358,536	\$529,020
29	\$662,303	\$710,718	\$1,373,021	(\$137,302)	\$1,235,719	\$306,904	\$10,580	\$1,246,299	\$529,020	\$0	\$529,020	\$717,280	\$10,580	\$0	\$0	\$706,699	\$353,350	\$353,350	\$539,600
30	\$662,303	\$710,718	\$1,373,021	(\$137,302)	\$1,235,719	\$306,904	\$10,792	\$1,246,511	\$539,600	\$0	\$539,600	\$706,911	\$0	\$0	\$0	\$706,911	\$353,455	\$353,455	\$539,600
	\$17,203,395	\$18,542,690	\$35,746,085	(\$3,574,609)	\$32,171,477	\$6,138,073	\$235,187	\$38,544,737	\$12,368,839	\$12,276,146	\$24,644,985	\$13,530,067	\$769,297	\$6,138,080	\$1,051,160	\$6,183,485	\$3,121,732	\$9,529,612	

Printed 10/14/2004 7:47 AM

Proforma 636 Maple Avenue 10-12-2004 MP; Cash Flow

Modified 10/12/04

636 Maple Avenue Intermodal Parking Structure, LLC

Preliminary Income Projections

MJW DRAFT

**HYPOTHETICAL OPERATION SCENARIOS AT THE NEWLY PROPOSED
SANTEE COURT MULTI-MODAL PARKING STRUCTURE**

Scenario - Estimated Revenue Generation for All 420 spaces:

Developer's 280 spaces - Operations and Estimated Revenue

Variables	Details
Hours Available to Tenants	Attendant present 24 hours a day.
Suggested Rates	Suggested monthly permits - nighttime and daytime - at \$90 each
Tot # spaces for tenants	90% utilization projected from Tenants: 420 spaces available to the tenants - 280 spaces available on a 24/7 basis and 140 spaces available from 5 pm - 9 am Mon - Sat.

ESTIMATED NIGHTTIME USAGE AND REVENUE GENERATED			
Estimated Usage Pattern		Estimated Revenue	
# Permits Sold	Sugg Mo. Rate	Estimated Monthly Rev	Estimated Yrly
380	\$90.00	\$34,200.00	\$410,400.00
	LESS 10% Parking Occupancy Tax	(\$3,420.00)	(\$41,040.00)
	Estimated Net Revenue from Monthly Permits	\$30,780.00	\$369,360.00

Total Estimated Yrly Net Rev from Tenant Monthlies

\$369,360.00

DOT's 140 spaces - Operations and Estimated Revenue

Variables	Details
Hours of Operation	9:00 am to 5:00 pm, Monday - Saturday (8 hours daily)
Suggested Rates	\$1.25 per hour with maximum of 3 hours. \$5.00 Flat Rate
Tot # DOT spaces	140 parking spaces available to the transient parker; 63.2% utilization of all 420 parking spaces during the day

ESTIMATED TRANSIENT USAGE AND REVENUE GENERATED - Monday thru Friday

Estimated Daily Usage Pattern			Estimated Revenue			
Estimated Daily Usage	Daily Hourly Rate	Hourly Increments	Estimated Daily Revenue	No. of Days	Estimated Weekly Revenue	Estimated Annual Revenue
70	\$1.25	1 st hr	\$87.50	6	\$525.00	
133	\$2.50	2 nd hr	\$332.50	6	\$1,995.00	
112	\$3.75	3 rd hr	\$420.00	6	\$2,520.00	
70	\$4.75	4 th hr				
385		& on	\$332.50	6	\$1,995.00	
102	\$5.00	Flat rate - Wkdy	\$509.55	7	\$3,566.85	
164	\$6.00	Flat rate - Wkend	\$986.87	7	\$6,908.08	
266						
	Estimated Gross Revenue		\$1,496.42		\$10,474.93	\$544,706.15
	Deduction of 10% Parking Occup Tax		<u>(\$149.64)</u>		<u>(\$1,047.49)</u>	<u>(\$54,469.62)</u>
	Estimated 'Net' Revenue [w/out Expenses]		\$1,346.78		\$9,427.43	\$490,236.54
	Est Net Wkly Rev from Transient Prkrs		\$1,346.78		\$9,427.43	\$490,236.54

ESTIMATED DAYTIME [ONLY] MONTHLY USAGE AND REVENUE GENERATED

Estimated Usage Pattern		Estimated Revenue	
# Permits Sold	Sugg Mo. Rate	Estimated Monthly Rev	Estimated Yrly
90	\$90.00	\$8,100.00	\$97,200.00
	LESS 10% Parking Occupancy Tax	<u>(\$810.00)</u>	<u>(\$9,720.00)</u>
	Estimated Net Revenue from Monthly Permits	\$7,290.00	\$87,480.00

Total Estim Yrly Net Rev from DOT Transient & Monthlies **\$577,716.54**

TOTAL COMBINED DEVELOPER/DOT NET REVENUE **\$947,076.54**

Assumptions:

1. Santee Court residents will absorb 90% of monthly permits
2. 50% of Santee Court residents with monthly permits vacate spaces during the day
3. 230 total spaces available during daytime
4. 140 spaces reserved for for transient parking
5. 90 daytime permits for local employees

636 Maple Avenue Intermodal Parking Structure LLC

Preliminary Operating Expenses

	Total	Per Space
Payroll	\$ 120,685	\$ 286
Security	\$ 25,000	\$ 59
Management Fee	\$ 24,000	\$ 55
Utilities	\$ 20,240	\$ 47
Telephone	\$ 3,000	\$ 6
Insurance	\$ 10,000	\$ 9
Uniforms	\$ 2,000	\$ 5
Cleaning Supplies	\$ 3,000	\$ 10
Tickets	\$ 1,000	\$ 3
Routine Maintenance	\$ 2,000	\$ 13
Sweeping Contracts	\$ 4,000	\$ 7
Power Scrub	\$ 3,000	\$ 10
Major Maintenance Sinking Fund	\$ 4,000	\$ 4
Parking Equipment Maintenance	\$ 6,000	\$ 16
Elevator Maintenance	\$ 5,000	\$ 20
Parking Equipment Amortization	\$ 8,000	\$ 32
TOTAL	\$ 240,925	\$ 237
Expenses paid by Developer	\$ 240,925	
Property Taxes paid by Developer	\$ 50,000	
Total	\$ 290,925	

NOTES

Projections from Walker Study with the following exceptions:

- Assumes one cashier present 24-hours a day, 7 days a week
- Projecting a 2% increase in expenses Year 3 and after
- Living Wage of \$10.03 effective July 1, 2004 - June 30, 2005
- Deducts Construction Allowances as follows:
 - \$6000 Elevator Maintenance year 1-5
 - \$2400 Landscape and Irrigation year 1-5
 - \$6000 Sweeping Contract year 1-5
- Total Shuttle Service of \$98700

FUEL AND MAINTENANCE COSTS

Hours of Operation 5PM to 9AM
 Round trip Distance 1.2 Miles
 30 minutes per trip including stops
 2.4 miles travel per hour
 \$.60 per mile for fuel and maintenance
 Total Miles traveled per day = (2.4mi/hr * 16hr)=38.4 miles
 Total Miles traveled per year = (38.4/mi * 365/days)=14016 miles
 Annual Fuel/Maintenance Costs = 14016mi * \$.60/mi = \$8410

ANNUAL LABOR

14 hours per day
 365 day a year
 5840 hours a year
 \$10.03 per hour
 20% burden rate
 Total Salary \$70290

INSURANCE

\$20000 annual

SANTEE COURT PHASE COMPLETION & CONTRIBUTIONS

Santee Court Phase 1 Complete 100 Permits
 \$1500 per month (\$15 per month per permit)
 Santee Court Phase 2 October 2005 64 Permits
 \$960 per month (\$15 per month per permit)
 Santee Court Phase 3 January 2007 200 Permits
 \$3000 per month (\$15 per month per permit)

636 Maple Avenue Intermodal Parking Structure LLC

Preliminary Shuttle Expenses

ANNUAL SHUTTLE COSTS

Total

Payroll	\$	70,290
Insurance	\$	20,000
Fuel and Maintenance	\$	8,410

TOTAL **\$ 98,700**

	Phase 1 Share	Phase 2 Share	Phase 3 Share	636 Maple Share	Total
Year One (2006)	\$ 18,000	\$ 11,520	\$ -	\$ 69,180	\$ 98,700
Year Two (2007)	\$ 18,000	\$ 11,520	\$ 36,000	\$ 33,180	\$ 98,700
Year Three (2008)	\$ 18,000	\$ 11,520	\$ 36,000	\$ 33,180	\$ 98,700

636 Maple Avenue Intermodal Parking Structure LLC
Bond Debt Schedule

Year	Date	Principal	Coupon	Interest	Net New D/S
Construction	9/1/2005	-	-	-	-
1	9/1/2006	-	-	\$ 439,500	\$ 207,113
2	9/1/2007	190,000	-	\$ 439,500	\$ 601,614
3	9/1/2008	\$ 205,000	5.500%	\$ 436,887	\$ 606,026
4	9/1/2009	\$ 215,000	5.500%	\$ 426,300	\$ 604,614
5	9/1/2010	\$ 225,000	5.500%	\$ 414,888	\$ 602,651
6	9/1/2011	\$ 235,000	5.500%	\$ 402,925	\$ 600,139
7	9/1/2012	\$ 250,000	5.500%	\$ 390,413	\$ 601,939
8	9/1/2013	\$ 265,000	5.500%	\$ 377,213	\$ 603,051
9	9/1/2014	\$ 280,000	5.500%	\$ 363,325	\$ 603,201
10	9/1/2015	\$ 295,000	5.500%	\$ 348,475	\$ 602,664
11	9/1/2016	\$ 315,000	5.500%	\$ 332,938	\$ 605,776
12	9/1/2017	\$ 335,000	6.000%	\$ 316,050	\$ 606,576
13	9/1/2018	\$ 355,000	6.000%	\$ 296,850	\$ 606,176
14	9/1/2019	\$ 375,000	6.000%	\$ 276,450	\$ 604,576
15	9/1/2020	\$ 395,000	6.000%	\$ 254,850	\$ 601,776
16	9/1/2021	\$ 420,000	6.000%	\$ 232,050	\$ 602,776
17	9/1/2022	\$ 445,000	6.000%	\$ 208,050	\$ 602,126
18	9/1/2023	\$ 475,000	6.000%	\$ 182,400	\$ 604,976
19	9/1/2024	\$ 500,000	6.000%	\$ 155,250	\$ 601,176
20	9/1/2025	\$ 530,000	6.000%	\$ 126,450	\$ 600,726
21	9/1/2026	\$ 1,200,000	6.000%	\$ 96,000	\$ 606,476
Total		\$ 7,505,000	-	\$ 6,516,762	\$ 12,276,146

EXHIBIT D

Certification of Compliance with the Americans with Disabilities Act

ATTACHMENT C



WALKER
PARKING CONSULTANTS

WALKER PARKING CONSULTANTS
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June 16, 2003

Brad Gwinn
Vice President of Development
MJW Investments
746 South Los Angeles Street, Suite 1100
Los Angeles, CA 90014

Re: *Preliminary Financial Analysis of the Proposed
Maple Street Garage
Walker Project #37-7387.00*

Dear Mr. Gwinn:

Walker Parking Consultants (Walker) is pleased to present the following letter report containing our preliminary financial analysis of the proposed parking facility to be constructed at 636 Maple Street in downtown Los Angeles.

PROJECT UNDERSTANDING

The primary purpose of the garage will be to provide monthly parking for future residents of the Santee Court mixed-use loft community (currently under redevelopment) who cannot be accommodated on site. On weekday and weekend daytimes, spaces vacated by permit holders will be open to the public for hourly use. The first floor of the garage will be reserved for MTA bus parking to replace spaces lost to construction.

The developer, an affiliate of MJW Investments, anticipates that existing area businesses and future redevelopment of Santee Court will generate a need for roughly 435 parking spaces. Walker Parking Consultants has been retained to prepare a preliminary study to determine the number of spaces needed to maximize revenues (while satisfying demand) and estimate the stabilized income and operating expenses for the proposed garage.

Walker's scope of work for this project includes the following items:

1. Meet with client to discuss project parameters and obtain background information.
2. Complete a baseline study of all public parking facilities within a two-block radius of the proposed site. The study would include an inventory of all facilities, a parking rate survey, and occupancy counts. Occupancy counts will be conducted twice on a weekday and weekend.
3. Determine market rates for the proposed parking structure.



4. Research anticipated future development in the area that would affect parking supply/demand ratios.
5. Based on information from task 4 above create estimates of the parking demand that will be generated in the immediate area by day, time and user group.
6. Using parking demand estimates and recommended rate structure, complete a preliminary income and expense proforma, using current dollars and stabilized occupancies. Include an analysis of staffing needs and the feasibility/cost of running a shuttle.
7. Prepare a draft letter report summarizing findings.
8. Meet with MJW to discuss draft report.
9. Prepare a final letter report.

BACKGROUND

In September of 2002, MJW Investments began work on Santee Court, a mixed-use residential/retail development located within the Fashion District of downtown Los Angeles. The three-phase project will eventually convert nine existing historic buildings into 578 loft style residential units with ground floor retail space. The project is intended to stimulate urban renewal, turning a rundown aging neighborhood into a work-live community for middle class professionals. 120 units in the proposed development will be available to low income residents, while the remaining units will be priced at an average of \$1,400 per month for an 800 square foot loft.

Seven of the nine buildings are located off of Los Angeles Street between 7th and 8th. One smaller building is located at the southeast corner of the same block, while the remaining building is located one to two blocks to the south at 824 Los Angeles Street. The proposed garage location at 636 Maple Street would be one block east and one half block north of the northern-most of the nine buildings.

The Fashion District is generally located to the southeast of Los Angeles's downtown core. According to the Fashion District Business Improvement District, the district accounts for \$9 billion of annual economic activity, approximately \$1 billion of retail and the balance \$8 billion wholesale. Immediately surrounding the neighborhood are the Toy District to the north, the Artist District to the south, the Jewelry District to the west, and the Warehouse District to the east. Though the Fashion District has not seen much in the way of housing, it has experienced numerous commercial redevelopment projects in recent years. MJW hopes to create a "critical mass" of upscale commercial and residential development. Other private and public projects are expected to follow over the next few years.

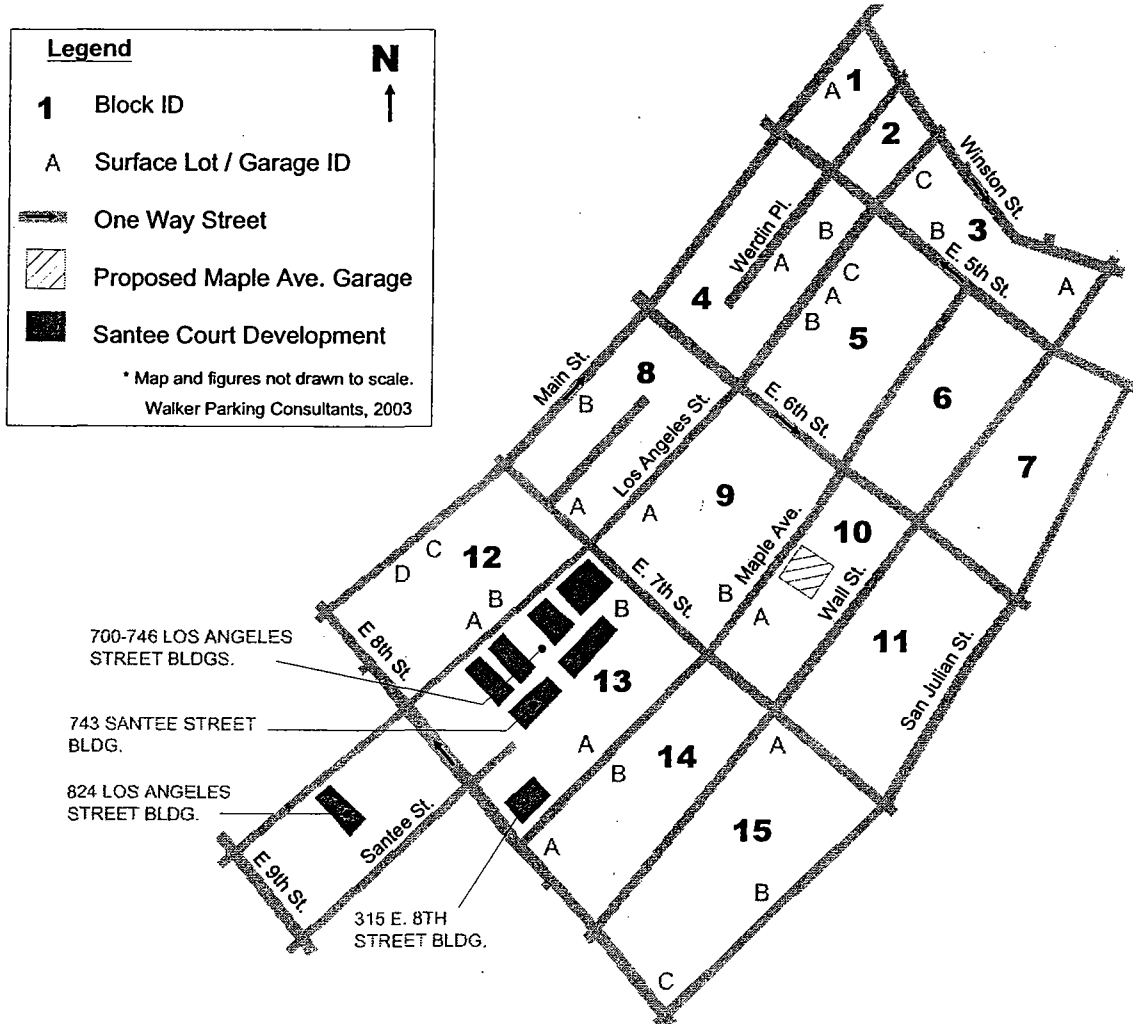


BASELINE PARKING DEMAND

Existing commercial space within the Fashion District currently generates a significant amount of revenue from wholesale and retail sales. Weekends, the area can be very busy with downtown pedestrian and vehicular traffic.

In order to determine the parking demand generated by existing land uses, Walker field staff conducted a series of baseline inventory and occupancy counts. The area surveyed was selected by Walker and MJW and includes off-street public parking facilities located within a two-block radius or the proposed garage site. A map, labeled Figure 1 below, has been included for reference.

Figure 1: Study Area Map





The blue letters listed on the map indicate the approximate location of public lots and garages within the study area. For this report, we define "public parking" as any facility with a posted hourly or daily rate (i.e. open for area visitors and customers). Details for each lot and garage are listed in Attachment 1 including the total inventory, operator, rate, etc. The Block ID's and letters on the map correspond to specific facility inventories and occupancies listed in the attachment.

It should be noted that many lots and garages within the study area currently operate attendant assisted parking (or stacking) especially on Saturday when the peak occupancies were observed. In these instances, the inventory listed is the estimated number of parked cars the facility can accommodate (while still maintaining reasonable access) rather than the number of striped spaces. Also, field staff observed a fair amount of competition between operators - some facilities adjusted their posted rate up or down a couple of dollars on the weekend, depending on the demand.

Two sets of occupancy counts were performed on Thursday (February 6, 2003) and Saturday (February 8, 2003) at 11:00 a.m. in the morning and 6 p.m. in the evening. Field staff discovered that most parking facilities in the neighborhood closed early on weekday and weekend evenings. After 6 p.m., very few cars were observed in any of the lots or garages. Most facilities were left un-attended with no parking revenues collected after this time. For this reason, the 6 p.m. count has not been included in Attachment 1. The two facilities serving the Flower Mart (14-B and 15-C) closed even earlier - 1:30 p.m. for the garage at 8th and San Julian and 2 p.m. on Saturdays for the main facility on-site.

A summary of the 11 a.m. baseline counts is included on the table below. Facilities that filled to 95% or greater of their total capacity (with or without stacking) have been listed in the footnote. For the purpose of this report we assume that a 95% occupancy rate represents the ideal effective capacity; in most cases a 5% supply cushion is desirable in order to allow for proper circulation.

Table 1: Inventory and Occupancy Summary

Count	Total Inventory	Peak Demand (11:00 a.m.)	% of Total Supply Occupied at Peak	Parking Occupied at 95% or Above ¹
Weekday (February 6, 2003)	3,013	2,123	70%	5 facilities
Weekend (February 8, 2003)	3,013	2,203	73%	11 facilities

1. During the weekday occupancy count facilities 3-B, 10-A, 13-A, 14-A, and 15-A filled to effective capacity (roughly 95% or above). On weekends, 3-A, 3-B, 5-B, 5-C, 9-B, 10-A, 12-B, 12-C, 13-A, 14-A, and 15-A filled to effective capacity.



ANALYSIS OF BASELINE CONDITIONS

During the weekday count, field staff observed a fair amount of demand for parking spaces along Maple Avenue between 6th and 8th (Blocks 10, 13, and 14). However, little turnover of these spaces was noted. Most vehicles parked in lots 13-A, 13-B, and 14-A were there before and after the count was conducted indicating that many of these cars belonged to area employees.

In general, staff observed higher occupancy rates on area surface lots than the garages or roof-top facilities. This finding is in keeping with the industry-wide observation that parkers (especially visitors) tend to prefer surface lots instead of garages. Contributing factors may include the psychological impact of enclosed spaces, the perception that garages are dangerous, and the higher visibility of surface parking lots.

On the weekend, more of the demand shifted to parking north of 6th Street (serving the Toy District), and to the west. Turnover was much higher as was foot traffic along both Los Angeles and Main between 6th and 8th. Despite the increase in demand, only some of the facilities on blocks 4, 8, and 12 filled to capacity. This may be due in part to the slightly higher rates charges by parking lots and garages on the western half of our study area and "customer only" restrictions on the surface lots serving Nino Feretrti and Dearden's. Facilities that filled to capacity on the weekday also filled to capacity on the weekend.

Overall, field staff observed varied hourly demand for individual lots and garages due to consumer preference and competitive advantages such as convenience, pricing, and visibility. Though hourly rates did not vary substantially for one facility to the next, Walker staff did notice an increase in the daily maximum rate posted for facilities closer to Main.

The two closest competitors to the proposed Maple Street Garage would be the Flower Mart structure and the 488-space rooftop lot over the former Greyhound bus station. The Flower Mart garage (14-B) filled to only 69% on the weekday and 42% on the weekend. The 488-space roof lot (labeled 9-A) filled to 70% on the weekday and 71% on the weekend.

Baseline Findings

Based on our field observations, we conclude that pricing may be a key element in capturing parking demand generated by existing retail space. With observed peak occupancies of 70% and 73%, the area as a whole can accommodate an increase in parking demand (of roughly 700 cars) without creating significant overflow. To compensate, a new parking facility in the area such as the proposed garage, would need to offer both a competitive rate and a high level of service to existing generators.

FUTURE SANTEE COURT DEMAND

Based on our analysis of the baseline conditions, we anticipate that much of the future demand for the proposed garage will need to be generated by planned developments in the area. The primary user group for the structure will be residents of Santee Court.



Currently, MJW is planning to supply a minimum of 128 parking spaces on site for the residential portion of the Santee development. MJW has indicated that these spaces will be provided in an underground structure below the Phase One and Phase Two buildings along Los Angeles Street. The developer has also indicated that on-site attendant assisted parking will be utilized to maximize the number of residential cars that can be parked in this garage. Based on a review of the plans, we have determined that assisted parking can increase the total space count to approximately 190 cars.

By phase III the Santee project will include a total of 578-loft units. Based on research to date, we assume that the overall demand for parking will equal 670 spaces based on the following calculations:

- Low Income Units = 1.0 spaces per unit x 120 units = 120 spaces
- Standard Units = 1.2 spaces per unit x 458 units = 550 spaces

Residential units will be added in phases meaning that not all 670 spaces will be needed from the very beginning of the project. Phases have been outlined as follows:

- Phase I = 165 units
- Phase II = 299 units
- Phase III = 114 units

Based on this breakdown, we anticipate that the 117 parking spaces provided on-site for Phase I should be enough to accommodate most the parking demand generated by the first 165 units. Therefore the proposed Maple Street garage would not be needed until phases II and III when the total overflow demand from residents would be 480 spaces (i.e., 670 total spaces less 190 on-site spaces).

One concern for phases II and III is the walking distance between the proposed garage location and the buildings that will not have parking on site. A breakdown of walking distance between the garage and Santee Court buildings is indicated on the table below.



Table 2: Walking Distances Between Santee Court Maple Street Garage

Address	Walking Distance (feet)	Approximate Walking Time (2)
700 Los Angeles St. ⁽¹⁾	844	3.5 minutes
722 Los Angeles St. ⁽¹⁾	1014	4.3 minutes
724 Los Angeles St. ⁽¹⁾	1060	4.4 minutes
716 Los Angeles St. ⁽¹⁾	890	3.7 minutes
738 Los Angeles St.	1151	4.8 minutes
746 Los Angeles St.	1200	5 minutes
743 Santee Street	1082	4.5 minutes
315 E. 8th St.	1309	5.5 minutes
824 Los Angeles St.	1894	7.9 minutes

⁽¹⁾ Phase I development, some parking provided on site.

⁽²⁾ Assumed walking speed of 240 feet per minute.

Unfortunately, the buildings located closest to the proposed garage location also have the most direct access to underground on-site parking. This means that most of the 480 overflow spaces in the Maple Street garage are actually needed to support the residential units further to the south. Based on the walking distances reflected in the table, we feel that some form of valet service or shuttle service will be necessary in order to provide residents with a minimum level of service.

The one advantage of the Maple street garage will be MJW's ability to offer a newer facility with better security for residential permit holders. Coupled with a reliable 24/7-valet or shuttle service, the developer will be able to offer residents reasonable access to their vehicles. Our research in the immediate area indicates that there are almost no alternative parking available for overnight vehicles. The surface lots in the area and the old Greyhound building roof parking close early due to the lack of evening demand that would warrant staying open. Also, they would have to provide the needed security that would be demanded by the few overnight parkers in the area. With the valet or shuttle service and the additional security that the new parking structure will afford, we assume that the Maple Street garage will be successful in capturing 85% of the 480 (or 408) residential permit holders that cannot park on-site.

To determine the appropriate pricing for the Maple Street garage, Walker staff conducted a telephone survey of comparable downtown residential complexes. Since almost all of the existing residential space in the Fashion District is Single Resident Occupancy units (SRO's) we based our comps of complexes slightly outside to the area offering more similarities in terms of quality, price, and unit type.



Overall, we found monthly rates ranging from \$50 per month to \$110 per month for residential developments similar to Santee Court. Extra spaces were available at many of the developments for a premium rate. Based on our survey findings we determined that the market rate would be \$90.00 per month.

OTHER FUTURE DEMAND

Along with the Santee Court residential units, the redevelopment project will bring in new retail businesses on the ground floor. At the time of our baseline counts, most of the ground floor retail space along Los Angeles Street was 100% occupied. Therefore, redevelopment may add some parking demand to the area but will also decrease the baseline demand for businesses that are currently in place.

In general, we find that new land uses do generate parking demand at a higher level than old business (even of the same land-use type). However, due to consumer preference toward the most convenient parking and surface lots, we project that much of the future demand intensification will impact the surface parking immediately adjacent to Santee Court, such the existing surface parking lots located on Maple.

Though long-term redevelopment of the area is anticipated, information supplied by the Los Angeles Community Redevelopment Agency (CRA), the Downtown Business Improvement District and developers indicates that two residential projects (besides Santee Court) are planned for the immediate study area over the next five years. One of the projects is Santa Fe Loft II. Plans call for the addition of 98 loft units at 121 East 6th. The other residential development would convert the old Pacific Electric building at 610 South Main Street into 314 residential units.

Other future activity in the area includes the following developments:

- Retail/wholesale development on the westside of Los Angeles Street, between 6th and 7th Streets.
- Renovation of the Bartlett Building, located on the northwest corner of 7th and Spring Streets, will create 130 market rate units.
- Renovation of the 8th and San Julian Street structure will be used for a flower market.
- 6th and LA Wholesale Plaza, (a wholesale/retail apparel store containing 30,000 square feet) recently opened.



REVENUE AND EXPENSES

Based on the information discussed in this letter, we conclude that a 408-space structure would be the most economical in order to address future demand and maximize revenues. Projected income and expense tables are included on the following pages.

Table 3: Projected Stabilized Revenues (in 2003 Dollars)

		Peak Demand ¹	Avg. Ticket ²	Avg. Turns ³	Period ⁴	Total
<i>Daily</i>						
Weekday Day	Retail Customers/Emp.	245	\$4.00	0.8	253	\$198,352
Weekend Day/Holiday	Retail Customers/Emp.	245	\$4.00	0.9	104	\$91,728
<i>Subtotal:</i>						\$290,080
		Peak Demand ⁵	Permit Rate ⁶	Oversell ⁷	Period	Total
<i>Monthly</i>						
	Santee Court Residents	408	\$90.00	1.00	12	\$440,640
TOTAL						\$730,720
Less Parking Tax						\$66,291
Gross Revenue						\$664,429

Notes

1. We assume that the Maple Street Garage is open to outside parkers Monday through Sunday 6 a.m. to 6 p.m. During the daytime, cashiers will park daily/hourly demand as Santee Court residents vacate spaces. We assume that, on average, 60% of the 408 residential permit holders are gone on a daily basis leaving 245 spaces available for weekday and weekend daytime parking. No spaces are available in the evenings when the garage is closed except to residential permit holders.
2. Assume a \$4.00 flat rate.
3. 80% of the 245 spaces available fill once on the weekday daytime. We assume that these parkers are mostly all day employees who have been displaced by increased demand for area surface lots. On weekends the 245 spaces turn over .9 times on average with hourly demand for retail/wholesale businesses in the area.
4. 253 standard weekday days and 52 Saturdays and 52 Sundays per year.
5. Assume that the Maple street garage can capture 85% of the 480 permit parkers generated by Santee Court.
6. Permit Rate of \$90.
7. In this case, no oversell factor is used because spaces vacated by permit holders will be sold to daytime users.



Table 4: Projected Yearly Expenses (in 2003 Dollars)

Expense	Cost Per Year	Note
Labor Cost	\$ 48,000	1
Management Fee	\$ 24,000	
Utilities	\$ 20,240	
Telephone	\$ 3,000	
Insurance	\$ 9,000	
Uniforms	\$ 2,000	
Office/Cleaning Supplies/Misc.	\$ 3,000	
Tickets	\$ 1,000	
Routine Maintenance	\$ 2,000	
Sweeping Contracts	\$ 4,000	
Power Scrub	\$ 3,000	
Major Maintenance Sinking Fund	\$ 4,000	
Parking Equipment Maintenance	\$ 6,000	2
Elevator Maintenance	\$ 5,000	3
Parking Equipment Amortization	\$ 8,000	
Total	\$ 142,240	

1. Assume garage is open 6 a.m. to 6 p.m. One cashier present for 12 hours per day, seven days per week
2. Assume one entry and one exit lane.
3. Assume one elevator.

Note that the expense table above does not include the cost of land, possessory interest tax and debt service. On the other hand, some of the costs in the table may be reduced or eliminated due to this project being located in an "Empowerment Zone."

Valet/Shuttle Service

The valet/shuttle would need to be "on call" 24 hrs per day to serve residents of Santee Court. Residents would have key cards to allow access to the garage after hours. Operating costs would be paid by the building owners and/or condominium owners' association, therefore would not have to be paid by the parking operation.

The net income and expense projections are outlined on the following page.



Table 5: Projected Net Income for the Maple Street Garage

Projected Yearly Revenue (2003 Dollars at Stabilize Revenues)	\$ 664,429
Projected Yearly Expenses (2003 Dollars)	\$ (142,240)
Projected Net Income	\$ 522,189

Overall, we project that the proposed Maple Street garage would operate at a net of approximately \$522,189 dollars per year.

If you have any questions regarding our report, please do not hesitate to call us.

Sincerely,

WALKER PARKING CONSULTANTS

A handwritten signature in cursive script that reads "William E. Francis".

William E. Francis
Vice President