

Recording requested by
and return to:

CITY OF SAN JOSE
c/o Orrick, Herrington & Sutcliffe LLP
The Orrick Building
405 Howard Street
San Francisco, California 94105

Attention: Daniel Bort

SITE LEASE

by and between the

CITY OF SAN JOSE

and the

CITY OF SAN JOSE FINANCING AUTHORITY

Dated as of March 1, 2011

THIS TRANSACTION IS EXEMPT FROM FILING FEES PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 6103 AND
TRANSFER TAXES PURSUANT TO CALIFORNIA REVENUE AND TAXATION CODE SECTION 11928

SITE LEASE

This Site Lease, dated as of March 1, 2011 (this “Lease” or “Site Lease”), by and between the CITY OF SAN JOSE (the “City”), a municipal corporation and charter city, duly organized and existing under and by virtue of the laws of the State of California, as lessor, and the CITY OF SAN JOSE FINANCING AUTHORITY (the “Authority”), a joint exercise of powers agency organized and existing pursuant to the laws of the State of California and a Joint Exercise of Powers Agreement, dated as of December 8, 1992, by and between the City and the Redevelopment Agency of the City of San José, as lessee;

W I T N E S S E T H:

WHEREAS, the City has determined that it is in its best interests to finance facilities for the City (the “Convention Center Expansion and Renovation Project”);

WHEREAS, the Authority has agreed to issue \$_____ aggregate principal amount of its City of San José Financing Authority Lease Revenue Bonds, Series 2011A (Convention Center Expansion and Renovation Project) (the “Bonds”), pursuant to a Trust Agreement, dated as of March 1, 2011 (the “Trust Agreement”) by and between the Authority and U.S. Bank National Association, as trustee (the “Trustee”), for the purpose of financing the Convention Center Expansion and Renovation Project;

WHEREAS, the Authority will use the proceeds of the Bonds and certain other funds to pay to the City the rental due hereunder for the Facilities (as hereinafter defined), and the City will use the rental so paid to make a deposit into the Project Fund for the Convention Center Expansion and Renovation Project;

WHEREAS, the Authority will lease back the Facilities to the City pursuant to the Facility Lease (Convention Center Expansion and Renovation Project), dated as of March 1, 2011 (the “Facility Lease”), between the Authority, as lessor, and the City, as lessee (capitalized terms used herein and not otherwise defined herein have the meanings assigned thereto in the Facility Lease); and

WHEREAS, under the Facility Lease, the City will be obligated to make base rental payments to the Authority for the lease of the Facilities;

NOW, THEREFORE, IT IS HEREBY MUTUALLY AGREED as follows:

SECTION 1. Demised Premises.

The City hereby leases to the Authority and the Authority hereby hires from the City, on the terms and conditions hereinafter set forth, the real property situated in the City of San José, State of California, and described in Exhibit A attached hereto and made a part hereof (the “Facilities”), together with any additional real property added thereto by any supplement or amendment hereto, or any real property substituted for all or any portion of such property in accordance with this Lease and the Trust Agreement – in particular the automatic substitution provided for in Exhibit A and in the Facility Lease; subject, however, to any conditions, reservations, and easements of record or known to the City and the buildings and all other

facilities located thereon. The site of the Facilities (exclusive of the buildings and improvements located thereon) is sometimes referred to herein as the “Demised Premises.”

SECTION 2. Term

The term of this Lease as to the Facilities shall commence on the date of recordation of this Lease in the office of the County Recorder of Santa Clara County, State of California, or on March 1, 2011, whichever is earlier, and shall end on May 1, 20__, unless such term is extended or sooner terminated as hereinafter provided. If on May 1, 20__ the Bonds shall not be fully paid, or if the rental or other amounts payable under the Facility Lease shall have been abated at any time and for any reason, then the term of this Lease shall be extended until ten (10) days after the Bonds shall be fully paid, except that the term of this Lease shall in no event be extended beyond May 1, 20__. If prior to May 1, 20__ all Bonds shall be fully paid, the term of this Lease shall end ten (10) days thereafter or upon written notice by the City to the Authority, whichever is earlier.

SECTION 3. Rental

The Authority shall pay to the City as and for rental hereunder the sum of \$_____.

SECTION 4. Purpose

The Authority shall use the Facilities solely for the purpose of leasing the Facilities to the City pursuant to the Facility Lease and for such purposes as may be incidental thereto; provided, that in the event of default by the City under the Facility Lease the Authority may exercise the remedies provided in the Facility Lease.

SECTION 5. Environmental Law and Regulations

(a) Definitions used in this Section 5 and in Section 6.

“Asbestos Containing Materials” shall mean material in friable form containing more than one percent (1%) of the asbestiform varieties of (a) chrysotile (serpentine); (b) crocidolite (ricbeckite); (c) amosite (cummington-itegrinerite); (d) anthophyllite; (e) tremolite; and (f) actinolite.

“Asbestos Operations and Maintenance Plan” shall mean that written plan for the Facilities relating to monitoring and maintaining all Asbestos Containing Materials used or located on the Demised Premises.

“Environmental Regulations” shall mean all Laws and Regulations, now or hereafter in effect, with respect to Hazardous Materials, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (42 U.S.C. Section 9601, et seq.) (together with the regulations promulgated thereunder, “CERCLA”), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 6901, et seq.) (together with the regulations promulgated thereunder, “RCRA”), the Emergency Planning and Community Right-to-Know Act, as amended (42 U.S.C.

Section 11001, et seq.) (together with the regulations promulgated thereunder, “Title III”), the Clean Water Act, as amended (33 U.S.C. Section 1321, et seq.) (together with the regulations promulgated thereunder, “CWA”), the Clean Air Act, as amended (42 U.S.C. Section 7401, et seq.) (together with the regulations promulgated thereunder, “CAA”) and the Toxic Substances Control Act, as amended (15 U.S.C. Section 2601, et seq.) (together with the regulations promulgated thereunder, “TSCA”), and any state or local similar laws and regulations and any so-called local, state or federal “superfund” or “superlien” law.

“Hazardous Materials” shall mean any material amount of flammable explosives, polychlorinated biphenyl compounds, heavy metals, chlorinated solvents, cyanide, radon, petroleum products, asbestos or any Asbestos Containing Materials, methane, radioactive materials, pollutants, hazardous materials, hazardous wastes, hazardous, toxic, or regulated substances or related materials, as defined in CERCLA, RCRA, CWA, CAA, TSCA and Title III, and the regulations promulgated pursuant thereto, and in all other Environmental Regulations applicable to the City, any of the Demised Premises or the business operations conducted by the City thereon.

“Laws and Regulations” shall mean any applicable law, regulation, code, order, rule, judgment or consent agreement, including, without limitation, those relating to zoning, building, use and occupancy, fire safety, health, sanitation, air pollution, ecological matters, environmental protection, hazardous or toxic materials, substances or wastes, conservation, parking, architectural barriers to the handicapped, or restrictive covenants or other agreements affecting title to the Facilities or the Demised Premises

(b) No portion of the Demised Premises is located in an area of high potential incidence of radon which has an unventilated basement or subsurface portion which is occupied or used for any purpose other than the foundation or support of the improvements to such Demised Premises.

(c) The City has not received any notice from any insurance company which has issued a policy with respect to the Facilities or from the applicable state or local government agency responsible for insurance standards (or any other body exercising similar functions) requiring the performance of any repairs, alterations or other work, which repairs, alterations or other work have not been completed at the Facilities. The City has not received any notice of default or breach which has not been cured under any covenant, condition, restriction, right-of-way, reciprocal easement agreement or other easement affecting Demised Premises which is to be performed or complied with by it.

SECTION 6. Environmental Compliance

(a) Neither the City nor the Authority shall use or permit the Demised Premises or any part thereof to be used to generate, manufacture, refine, treat, store, handle, transport or dispose of, transfer, produce or process Hazardous Materials, except, and only to the extent, if necessary to maintain the improvements on the Demised Premises and then, only in compliance with all Environmental Regulations, and any state equivalent laws and regulations, nor shall it permit, as a result of any intentional or unintentional act or omission on its part or by any tenant, subtenant, licensee, guest, invitee, contractor, employee and agent, the storage,

transportation, disposal or use of Hazardous Materials or the pumping, spilling, leaking, disposing of, emptying, discharging or releasing (hereinafter collectively referred to as "Release") or threat of Release of Hazardous Materials on, from or beneath the Demised Premises or onto any other real property excluding, however, those Hazardous Materials in those amounts ordinarily found in the inventory of the facility located on the Demised Premises, the use, storage, treatment, transportation and disposal of which shall be in compliance with all Environmental Regulations. Upon the occurrence of any Release or threat of Release of Hazardous Materials, the City shall promptly commence and perform, or cause to be commenced and performed promptly, without cost to the Trustee or the Authority, all investigations, studies, sampling and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials so Released, on, from or beneath the Demised Premises, in compliance with all Environmental Regulations. Notwithstanding anything to the contrary contained herein, underground storage tanks shall only be permitted subject to compliance with subsection (d) and only to the extent necessary to maintain the improvements on the Demised Premises.

(b) The City and the Authority shall comply with, and shall cause its tenants, subtenants, licensees, guests, invitees, contractors, employees and agents to comply with, all Environmental Regulations, and shall keep the Demised Premises free and clear of any liens imposed pursuant thereto (provided, however, that any such liens, if not discharged, may be bonded). The City and the Authority shall cause each tenant, and use its best efforts to cause all of such tenant's subtenants, agents, licensees, employees, contractors, guests and invitees and the guests and invitees of all of the foregoing to comply with all Environmental Regulations with respect to the Demised Premises; provided, however, that notwithstanding that a portion of this covenant is limited to the City and the Authority's use of its best efforts, the Authority and the City shall remain solely responsible for ensuring such compliance and such limitation shall not diminish or affect in any way the City and the Authority's obligations contained in subsection (c) hereof as provided in subsection (c) hereof. Upon receipt of any notice from any Person with regard to the Release of Hazardous Materials on, from or beneath the Demised Premises, the City and the Authority shall give prompt written notice thereof to the Trustee (and, in any event, prior to the expiration of any period in which to respond to such notice under any Environmental Regulation).

(c) Irrespective of whether any representation or warranty contained in Section 5 is not true or correct, the City and the Authority shall, to the extent permitted by law, defend, indemnify and hold harmless the Trustee and the Bondholders, its partners, depositors and each of its and their employees, agents, officers, directors, trustees, successors and assigns, from and against any claims, demands, penalties, fines, attorneys' fees (including, without limitation, attorneys' fees incurred to enforce the indemnification contained in this Section 6), consultants' fees, investigation and laboratory fees, liabilities, settlements (five (5) Business Days' prior notice of which the Authority or the Trustee, as appropriate, shall have delivered to the City and the Authority), court costs, damages, losses, costs or expenses of whatever kind or nature, known or unknown, contingent or otherwise, occurring in whole or in part, arising out of, or in any way related to, (i) the presence, disposal, Release, threat of Release, removal, discharge, storage or transportation of any Hazardous Materials on, from or beneath the Demised Premises, (ii) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials, (iii) any lawsuit brought or

threatened, settlement reached (five (5) Business Days' prior notice of which the Authority or the Trustee, as appropriate, shall have delivered to the City and the Authority), or governmental order relating to Hazardous Materials on, from or beneath any of the Demised Premises, (iv) any violation of Environmental Regulations or subsection (a) or (b) hereof by it or any of its agents, tenants, employees, contractors, licensees, guests, subtenants or invitees, and (v) the imposition of any governmental lien for the recovery of environmental cleanup or removal costs. To the extent that the Authority or the City is strictly liable under any Environmental Regulation, its obligation to the Trustee and the Bondholders and the other indemnitees under the foregoing indemnification shall likewise be without regard to fault on its part with respect to the violation of any Environmental Regulation which results in liability to any indemnitee. Its obligations and liabilities under this Section 6(c) shall survive any termination of the Facility Lease or exercise of any remedies thereunder, and the satisfaction of all Bonds.

(d) The City and the Authority shall conform to and carry out a reasonable program of maintenance and inspection of all underground storage tanks, and shall maintain, repair, and replace such tanks only in accordance with Laws and Regulations, including but not limited to Environmental Regulations.

SECTION 7. Owner in Fee

The City covenants that it is either the owner in fee of or has a valid leasehold interest in the Demised Premises. The City further covenants and agrees that if for any reason this covenant proves to be incorrect, the City will either institute eminent domain proceedings to condemn the property or institute a quiet title action to clarify the City's title, and will diligently pursue such action to completion. The City further covenants and agrees that it will hold the Authority and the Bondowners harmless from any loss, cost or damages resulting from any breach by the City of the covenants contained in this Section to the extent that such breach interferes with the use and enjoyment of the Demised Premises.

SECTION 8. Assignments and Subleases

Unless the City shall be in default under the Facility Lease, the Authority may not assign its rights under this Lease or sublet the Demised Premises and the Facilities, except pursuant to the Facility Lease, without the written consent of the City, which consent may be withheld in the City's sole and absolute discretion. Upon the occurrence of a default by the City under the Facility Lease, the Authority may assign or sell its rights under this Lease or sublet the Demised Premises and the Facilities, without the consent of the City.

SECTION 9. Right of Entry; Easements

The City reserves the right for any of its duly authorized representatives to enter upon the Demised Premises at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

The City agrees, upon written request from the Authority, to grant to the Authority a nonexclusive easement of ingress and egress for persons, vehicles and utilities, twenty (20) feet wide, from each parcel of the Demised Premises not having access to a public street, and appurtenant to such parcel, over property owned by the City to a public street. The

City may, at any time, satisfy its obligation contained in the preceding sentence as to any such parcel of the Demised Premises by granting to the Authority an easement complying with the requirements of the preceding sentence from such parcel of the Demised Premises to a public street.

SECTION 10. Termination

The Authority agrees, upon the termination of this Lease, to quit and surrender the Demised Premises in the same good order and condition as the same were in at the time of commencement of the term hereunder, reasonable wear and tear excepted, and the Authority further agrees that any permanent improvements and structures existing upon the Demised Premises at the time of the termination of this Lease shall remain thereon and title thereto shall vest in the City.

Upon the exercise of the option to purchase set forth in Section 7.03 of the Facility Lease and upon payment of the option price required by said section, the term of this Lease shall terminate as to the portion of the Demised Premises upon which the part of the Facilities being so purchased is situated.

SECTION 11. Default

In the event the Authority shall be in default in the performance of any obligation on its part to be performed under the terms of this Lease, which default continues for one hundred and eighty (180) days following notice and demand for correction thereof to the Authority and the Trustee, the City may exercise any and all remedies granted by law, except that no merger of this Lease and of the Facility Lease shall be deemed to occur as a result thereof; provided, however, that the City shall have no power to terminate this Lease by reason of any default on the part of the Authority if such termination would affect or impair any assignment or sublease of all or any part of the Demised Premises then in effect between the Authority and any assignee or subtenant of the Authority (other than the City under the Facility Lease). So long as any such assignee or subtenant of the Authority shall duly perform the terms and conditions of this Lease, such assignee or subtenant shall be deemed to be and shall become the tenant of the City hereunder and shall be entitled to all of the rights and privileges granted under any such assignment; provided, further, that so long as any Bonds are outstanding and unpaid in accordance with the terms thereof, the rentals or any part thereof payable to the Authority or Trustee shall continue to be paid to the Trustee on behalf of the Bondowners.

SECTION 12. Quiet Enjoyment

The Authority at all times during the term of this Lease, shall peaceably and quietly have, hold and enjoy all of the Demised Premises.

SECTION 13. Waiver of Personal Liability

All liabilities under this Lease on the part of the Authority shall be solely liabilities of the Authority, as a public entity and agency, and the City hereby releases each and every member, director, officer, agent or employee of the Authority of and from any personal or individual liability under this Lease. No member, director, officer, agent or employee of the

Authority shall at any time or under any circumstances be individually or personally liable under this Lease to the City or to any other party whomsoever for anything done or omitted to be done by the Authority hereunder.

The Authority and its members, directors, officers, agents, employees and assignees shall not be liable to the City or to any other party whomsoever for any death, injury or damage that may result to any person or property by or from any cause whatsoever in, on or about the Demised Premises, the Facilities and the Convention Center Expansion and Renovation Project. The City, to the extent permitted by law, shall indemnify and hold the Authority and its members, directors, officers, agents, employees and assignees, harmless from, and defend each of them against, any and all claims, liens and judgments arising from the construction or operation of the Demised Premises, the Facilities or the Convention Center Expansion and Renovation Project, including, without limitation, death of or injury to any person or damage to property whatsoever occurring in, on or about the Demised Premises, the Facilities or the Convention Center Expansion and Renovation Project regardless of responsibility for negligence, but excepting the active negligence of the person or entity seeking indemnity.

SECTION 14. Taxes

The City covenants and agrees to pay any and all assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Demised Premises or the Facilities.

SECTION 15. Eminent Domain

In the event the whole or any part of the Demised Premises or the Facilities is taken by eminent domain proceedings, the interest of the Authority shall be recognized and is hereby determined to be the amount of the then unpaid or outstanding Bonds and all other amounts due under the Trust Agreement and the Facility Lease attributable to such part of the Facilities and shall be paid to the Trustee, and the balance of the award, if any, shall be paid to the City.

SECTION 16. Partial Invalidity

If any one or more of the terms, provisions, covenants or conditions of this Lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Lease shall be affected thereby, and each provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

SECTION 17. Notices

All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered or certified mail, return receipt requested, postage prepaid, and, if to the City, addressed to the City of San José, 200 East Santa Clara Street, San José,

California 95113, Attn: City Manager, or if to the Authority, addressed to the Authority in care of the City of San José, 200 East Santa Clara Street, San José, California 95113, Attn: City Manager, in all cases with a copy to the Trustee, or to such other addresses as the respective parties may from time to time designate by notice in writing.

SECTION 18. Section Headings

All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this lease.

SECTION 19. Amendment

The Authority and the City may at any time agree to the amendment of this Lease; provided, however, that the Authority and the City agree and recognize that this Lease is entered into in accordance with the terms of the Trust Agreement, and accordingly, that any such amendment shall only be made or effected in accordance with and subject to the terms of the Trust Agreement.

SECTION 20. Execution

This Lease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same Lease. It is also agreed that separate counterparts of this Lease may separately be executed by the City and the Authority, all with the same force and effect as though the same counterpart had been executed by both the City and the Authority.

IN WITNESS WHEREOF, the City has caused this Lease to be executed and its seal to be hereunto affixed and attested and the Authority has caused this Lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

CITY OF SAN JOSE,
as Lessor

By _____
Authorized Representative

[SEAL]

Attest:

City Clerk

CITY OF SAN JOSE FINANCING AUTHORITY,
as Lessee

By _____
Designated Officer

Attest:

Secretary

EXHIBIT A

DESCRIPTION OF FACILITIES

Note: Upon completion of the Convention Center Expansion, which is being built on TRACT ONE described below, and the filing with the Trustee of a Certificate of the Director of Public Works of the City that the Convention Center Expansion is Ready for Occupancy, and the recording in the Office of the Santa Clara County Recorder of a Release of Property Agreement as to TRACT TWO substantially in the form of Attachment 1 to this Exhibit A, TRACT TWO, described below, will be, without any further action, released from this Lease and the first floor (only) of the building constructed on TRACT ONE, will become subject to this lease limited, however, to non-exclusive use of all common areas of the building, which include, but are not limited to, all common exits, entrances, hallways, lobbies, restrooms, elevators, stairways and accessways, if any; loading docks, ramps, drives, platforms, passageways and serviceways; and the common pipes, conduits, wires and appurtenant equipment and systems within the building; the parking facilities for the building, loading and unloading areas, trash areas, roadways, sidewalks, parkways, driveways, landscaped areas, plaza areas, fountains and similar areas and facilities of the building that are intended for common use by the public and the users of the building.

TRACT ONE:

The land here described is situated in the State of California, County of Santa Clara, City of San José, and described as follows:

Former Main Library

Parcel One:

Parcel 2 as shown on Parcel Map filed for record in the Office of the Recorder of the county of Santa Clara, State of California on February 7, 1991 in Book 624 of Maps, Pages 2 and 3.

Parcel Two:

An easement for ingress and egress over a portion of Parcel 4 of Parcel Map filed for record in the Office of the Recorder of the county of Santa Clara, State of California on February 7, 1991 in Book 624 [the Preliminary Title Report says “Book 64,” but I think that’s wrong] of Maps, Pages 2 and 3, shown as “Ingress/egress easement in favor of Parcel 2.”

APN: 264-29-097

ARB: 264-29-1

TRACT TWO

The land referred to herein is situated in the State of California, County of Santa Clara, City of , and described as follows:

Mexican Heritage Cultural Plaza

Parcel One:

Being a portion of Lot 1 and all of Lots 2, 3 and 4, as said Lots are shown upon that certain Map entitled "Map of Alta Vista Tract" recorded August 4, 1904 in Book "F-3" of Maps, Page 89, Santa Clara County Records, being more particularly described as follows:

BEGINNING for reference at the Northwest corner of Lot 1 as shown on said Map of Alta Vista Tract, thence proceeding along the Northwesterly line of said Lot 1, North 59° 20' 16" East 66.10 feet to the true point of beginning of this description, thence proceeding from said true point of beginning along the Southeasterly line of Alum Rock Avenue as shown on said Map of Alta Vista Tract, North 59° 20' 16" East 526.83 feet to the common line between Lots 4 and 5 of said Alta Vista Tract thence along said common line between Lots 4 and 5, South 30° 39' 54" East 304.50 feet to the Southeast property corner of said Lot 4, said point also being on the Northwesterly line of Lot 36 of said Alta Vista Tract thence along said Northwesterly line of Lot 36, South 59° 20' 05" West 516.64 feet to the Northeasterly line of King Road; thence along the said Northeasterly line of King Road, North 33° 37' 0" West 81.49 feet to an angle point in the said Northeasterly line of King Road; thence continuing along said Northeasterly line of King Road; North 38° 00' 09" West 202.25 feet to the beginning of a curve thence along a tangent curve to the right with a radius of 20.00 feet through a central angle of 97° 20' 25" for an arc length of 33.98 feet to the true point of beginning.

EXCEPTING THERFROM so much thereof reserved by the Redevelopment Agency of the City of San Jose, a public body corporate and politic, by Deed recorded June 11, 2001, Recorder's Series No. 15719283, Official Records, being more particularly described as follows:

Being a portion of Lots 2, 3 and 4 as said Lots are shown upon that certain Map entitled "Map of Alta Vista Trace" filed August 4, 1904 in Book "F-3" of Maps, Page 89, Santa Clara County Records, further described as follows:

Commencing for reference at the Northwest corner of Lot 1 as shown on said Map of Alta Vista Tract; thence North 59° 20' 16" East, 190.83 feet along the Southeasterly line of Alum Rock Avenue as shown on said Map of Alta Vista Tract; thence South 30° 39' 54" East 19.50 feet to the true point of beginning; thence North 59° 20' 16" East, 284.00 feet; thence South 30° 39' 54" East, 36.00 feet; thence South 59° 20' 16" West 284.00 feet; thence North 30° 39' 54" West, 36.00 feet to the true point of beginning.

(legal description continued on next page)

Parcel Two:

Being a portion of Lots 37 and 38 as said Lots are shown on that certain Map entitled "Map of the Alta Vista Tract" recorded August 4, 1904 in Book "F-3" of Maps, Page 89, Santa Clara County Records, being more particularly described as follows:

BEGINNING at a point in the Northeasterly line of King road, said point being distant thereon, North 59° 20' 05" East 24.20 feet from the common corner of Lots 36 and 47 of said Alta Vista Tract; thence proceeding along the common line between said Lots 36 and 37, North 59° 20' 05" East 136.14 feet; thence Southeasterly along a line parallel with said Northeasterly line of King Road, South 38° 00' 09" East 253.07 feet; thence along a line parallel with the said common line of Lots 37 and 38, South 59°20' 05" West 9.43 feet; thence North 30° 39' 54" West, 63.89 feet; thence South 59°20' 05" West 134.93 feet to the said Northeasterly line of King Road, thence along said Northeasterly line of King Road, North 38° 00' 09" West 188.66 feet to the point of beginning.

Parcel Three:

Being a portion of Lot 36 as said Lot is shown on that certain Map entitled "Map of the Alta Vista Tract" recorded August 4, 1904 in Book "F-3" of Maps, Page 89, Santa Clam County Records, being more particularly described as follows:

BEGINNING at a point in the Northeasterly line of King Road, said point being distant thereon North 59° 20' 05" East 24.20 feet from the common corner of Lots 36 and 37 of said Pita Vista Tract, thence proceeding along the common line between said Lots 36 and 37, North 59° 20' 05" East 246.06 feet; thence North 30° 39' 54" West 166.73 feet to the Northwesterly line of said Lot 36; thence along said Northwesterly line of Lot 36, South 59° 20' 05" West 254.66 feet to the said Northeasterly line of King Road; thence along said Northeasterly line of King Road, South 33° 37' 03" East 167.00 feet to the POINT OF BEGINNING.

APN: 481-18-059 and 060

(end of legal description)

ATTACHMENT 1

Recording requested by
and return to:

CITY OF SAN JOSE
c/o Orrick, Herrington & Sutcliffe LLP
The Orrick Building
405 Howard Street
San Francisco, California 94105

Attention: John M. Knox, Esq.

RELEASE OF PROPERTY AGREEMENT

This Release of Property Agreement, dated as of _____, 201_, by and between the CITY OF SAN JOSE FINANCING AUTHORITY (the "Authority"), a joint exercise of powers authority duly organized and existing pursuant to a Joint Exercise of Powers Agreement dated December 8, 1992, by and between the City of San José and the Redevelopment Agency of the City of San José, and the CITY OF SAN JOSE (the "City") , a municipal corporation and charter city, duly organized and existing under and by virtue of the laws of the State of California;

W I T N E S S E T H:

WHEREAS, the Authority has previously assisted the City in financing the acquisition, expansion, construction, reconstruction, rehabilitation, replacement or upgrade of the San José Convention Center (the "Convention Center Expansion and Renovation Project" or the "Project"), by issuing its City of San José Financing Authority Lease Revenue Bonds, Series 2011A (Convention Center Expansion and Renovation Project) (the "Bonds") pursuant to a Trust Agreement, dated as of March 1, 2011 (the "Trust Agreement"), by and between the Authority and U.S. Bank National Association, as trustee; and

WHEREAS, in connection with issuance of the Bonds, the City has leased certain real property and the improvements thereon to the Authority by a lease, entitled "Site Lease" and dated as of March 1, 2011 and recorded on March __, 2011 in the Office of the County Recorder of Santa Clara County under Recorder's Serial No. 2011-_____; and

WHEREAS, in that connection the Authority has leased certain real property and the improvements thereon back to the City by a lease, entitled "Facility Lease (Convention Center Expansion and Renovation Project)", dated as of March 1, 2011 and recorded on March __, 2011 in the Office of the County Recorder of Santa Clara County under Recorder's Serial No. 2011-____ (the "Facility Lease"); and

WHEREAS, the Facility Lease and the Site Lease (together, the “Leases”) contemplate the release of certain real property from the Leases, specifically the Mexican Heritage Cultural Plaza more fully described in Attachment A hereto (the “Released Property”), upon the completion of the expansion portion of the Project; and

WHEREAS, the conditions precedent to the release of the Released Property, as set forth in Section 2.03(c) of the Facility Lease, Exhibit A to the Facility Lease and Exhibit A to the Site Lease have been satisfied;

NOW, THEREFORE, the parties hereto agree as follows:

Section 1. Recitals. All of the above recitals of fact are true and correct and are hereby incorporated herein.

Section 2. Release of Property. The Authority and the County hereby release and discharge from the Leases, the Released Property, being that certain portion of the Demised Premises, including real property and improvements therein, described in Attachment A attached hereto and made a part hereof.

Section 3. Effect of this Release. Notwithstanding this Release of Property Agreement, (a) the Facility Lease, the Site Lease and the Trust Agreement shall remain in full force and effect and are hereby ratified and affirmed and (b) the execution, delivery and effectiveness of this Release of Property Agreement shall not, except as expressly provided herein, operate as a waiver of any right, power, or remedy of the City or the Authority, nor constitute a waiver of any provision of the Facility Lease, the Site Lease or the Trust Agreement.

Section 4. Definitions. All capitalized terms defined above and elsewhere in this Release of Property Agreement shall be used herein as so defined. Unless otherwise defined herein, all other capitalized terms used herein shall have the respective meanings given to those terms in the Facility Lease.

///

IN WITNESS WHEREOF, the Authority and the City have caused this Release of Property Agreement to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

SAN JOSE FINANCING AUTHORITY

By: _____
President

CITY OF SAN JOSE

By _____
Director of Public Works

ATTACHMENT A

The land referred to herein is situated in the State of California, County of Santa Clara, City of , and described as follows:

Mexican Heritage Cultural Plaza

Parcel One:

Being a portion of Lot 1 and all of Lots 2, 3 and 4, as said Lots are shown upon that certain Map entitled "Map of Alta Vista Tract" recorded August 4, 1904 in Book "F-3" of Maps, Page 89, Santa Clara County Records, being more particularly described as follows:

BEGINNING for reference at the Northwest corner of Lot 1 as shown on said Map of Alta Vista Tract, thence proceeding along the Northwesterly line of said Lot 1, North 59° 20' 16" East 66.10 feet to the true point of beginning of this description, thence proceeding from said true point of beginning along the Southeasterly line of Alum Rock Avenue as shown on said Map of Alta Vista Tract, North 59° 20' 16" East 526.83 feet to the common line between Lots 4 and 5 of said Alta Vista Tract thence along said common line between Lots 4 and 5, South 30° 39' 54" East 304.50 feet to the Southeast property corner of said Lot 4, said point also being on the Northwesterly line of Lot 36 of said Alta Vista Tract thence along said Northwesterly line of Lot 36, South 59° 20' 05" West 516.64 feet to the Northeasterly line of King Road; thence along the said Northeasterly line of King Road, North 33° 37' 0" West 81.49 feet to an angle point in the said Northeasterly line of King Road; thence continuing along said Northeasterly line of King Road; North 38° 00' 09" West 202.25 feet to the beginning of a curve thence along a tangent curve to the right with a radius of 20.00 feet through a central angle of 97° 20' 25" for an arc length of 33.98 feet to the true point of beginning.

EXCEPTING THERFROM so much thereof reserved by the Redevelopment Agency of the City of San Jose, a public body corporate and politic, by Deed recorded June 11, 2001, Recorder's Series No. 15719283, Official Records, being more particularly described as follows:

Being a portion of Lots 2, 3 and 4 as said Lots are shown upon that certain Map entitled "Map of Alta Vista Trace" filed August 4, 1904 in Book "F-3" of Maps, Page 89, Santa Clara County Records, further described as follows:

Commencing for reference at the Northwest corner of Lot 1 as shown on said Map of Alta Vista Tract; thence North 59° 20' 16" East, 190.83 feet along the Southeasterly line of Alum Rock Avenue as shown on said Map of Alta Vista Tract; thence South 30° 39' 54" East 19.50 feet to the true point of beginning; thence North 59° 20' 16" East, 284.00 feet; thence South 30° 39' 54" East, 36.00 feet; thence South 59° 20' 16" West 284.00 feet; thence North 30° 39' 54" West, 36.00 feet to the true point of beginning.

(legal description continued on next page)

Parcel Two:

Being a portion of Lots 37 and 38 as said Lots are shown on that certain Map entitled "Map of the Alta Vista Tract" recorded August 4, 1904 in Book "F-3" of Maps, Page 89, Santa Clara County Records, being more particularly described as follows:

BEGINNING at a point in the Northeasterly line of King road, said point being distant thereon, North 59° 20' 05" East 24.20 feet from the common corner of Lots 36 and 47 of said Alta Vista Tract; thence proceeding along the common line between said Lots 36 and 37, North 59° 20' 05" East 136.14 feet; thence Southeasterly along a line parallel with said Northeasterly line of King Road, South 38° 00' 09" East 253.07 feet; thence along a line parallel with the said common line of Lots 37 and 38, South 59°20' 05" West 9.43 feet; thence North 30° 39' 54" West, 63.89 feet; thence South 59°20' 05" West 134.93 feet to the said Northeasterly line of King Road, thence along said Northeasterly line of King Road, North 38° 00' 09" West 188.66 feet to the point of beginning.

Parcel Three:

Being a portion of Lot 36 as said Lot is shown on that certain Map entitled "Map of the Alta Vista Tract" recorded August 4, 1904 in Book "F-3" of Maps, Page 89, Santa Clam County Records, being more particularly described as follows:

BEGINNING at a point in the Northeasterly line of King Road, said point being distant thereon North 59° 20' 05" East 24.20 feet from the common corner of Lots 36 and 37 of said Pita Vista Tract, thence proceeding along the common line between said Lots 36 and 37, North 59° 20' 05" East 246.06 feet; thence North 30° 39' 54" West 166.73 feet to the Northwesterly line of said Lot 36; thence along said Northwesterly line of Lot 36, South 59° 20' 05" West 254.66 feet to the said Northeasterly line of King Road; thence along said Northeasterly line of King Road, South 33° 37' 03" East 167.00 feet to the POINT OF BEGINNING.

APN: 481-18-059 and 060

(end of legal description)

TABLE OF CONTENTS

	Page
SECTION 1. DEMISED PREMISES.....	1
SECTION 2. TERM	2
SECTION 3. RENTAL.....	2
SECTION 4. PURPOSE.....	2
SECTION 5. ENVIRONMENTAL LAW AND REGULATIONS	2
SECTION 6. ENVIRONMENTAL COMPLIANCE.....	3
SECTION 7. OWNER IN FEE.....	5
SECTION 8. ASSIGNMENTS AND SUBLEASES	5
SECTION 9. RIGHT OF ENTRY; EASEMENTS	5
SECTION 10. TERMINATION.....	6
SECTION 11. DEFAULT	6
SECTION 12. QUIET ENJOYMENT.....	6
SECTION 13. WAIVER OF PERSONAL LIABILITY	6
SECTION 14. TAXES.....	7
SECTION 15. EMINENT DOMAIN	7
SECTION 16. PARTIAL INVALIDITY	7
SECTION 17. NOTICES.....	7
SECTION 18. SECTION HEADINGS	8
SECTION 19. AMENDMENT.....	8
SECTION 20. EXECUTION.....	8
EXHIBIT A - DESCRIPTION OF FACILITIES.....	A-1

An extra section break has been inserted above this paragraph. Do not delete this section break if you plan to add text after the Table of Contents/Authorities. Deleting this break will cause Table of Contents/Authorities headers and footers to appear on any pages following the Table of Contents/Authorities.