

EXHIBIT A

Terms of Proposed Second Amended and Restated Parking Garage Development Agreement and Lease by and between the Philadelphia Redevelopment Authority, as Landlord and Parametric Garage Associates, as Tenant

- Landlord:** Philadelphia Redevelopment Authority.
- Tenant:** Parametric Garage Associates, or PAID, with an installment sale agreement in favor of Parametric Garage Associates.
- Premises:** Parking garage at 11th and Arch.
- Expiration Date:** No later than December 31, 2051.
- Use:** Parking garage with at least 750 legal, striped spaces for automobiles and a retail area of approximately 12,286 square feet.
- Operation:** Tenant shall operate the garage directly or through a qualified operator approved by Landlord, in accordance with specified operating standards. (Others, such as the Leasehold Mortgagee, as hereinafter defined, and the City of Philadelphia, may also have approval rights over the operator.)
- Maintenance:** Tenant to perform and pay for all maintenance and repairs.
- Rent:** Initial Rent: lump-sum payment in the amount of 9.8% of Tenant's initial net loan proceeds to Tenant from Great American Life Insurance Company as provided in that certain Participation Agreement with the City of Philadelphia.
Base Annual Net Rent: \$300,000.
- Net Lease:** The Lease is net to the Landlord, with Tenant responsible for all costs, expenses and obligations relating to the Premises.
- Compliance with Agreements:** Tenant is responsible for all obligations under existing documents of record either affecting the Property as of the date of the Lease or created by or consented to by Tenant after the date of the Lease. The Leasehold Mortgagee (as hereinafter defined) will not be bound by documents created by or consented to by Tenant after the date of the Lease unless the Leasehold Mortgagee shall have consented to such documents.
Tenant is obligated to abide by all existing restrictions encumbering the site or otherwise binding on Landlord. The Lease contains operating covenants designed to make the Premises useable by nearby retail and department store operators.
- As Is, No Responsibility of** The Premises is rented "As Is," without representations or warranties. Landlord has no responsibility or liability for any maintenance, repairs,

- Landlord:** rebuilding, replacements, services, compliance with legal requirements, or damages.
- Alterations and Additions:** Tenant may not make any alterations or improvements without Landlord's consent, not to be unreasonably withheld for nonstructural interior alterations that do not affect mechanical systems.
- Insurance:** Tenant is responsible for maintaining primary and non-contributory insurance, naming Landlord as additional insured (as to insurance other than workers compensation insurance), with the following coverages:
- i. Commercial general liability with limits of at least \$10,000,000 per occurrence;
 - ii. "All Risk" property insurance in the amount of full replacement value of all buildings or structures on the Premises;
 - iii. Workers compensation, in amounts required by law; and
 - iv. Business Interruption Insurance equal to not less than the estimated gross earning of Tenant at the Premises.
- Indemnity:** Tenant indemnifies Landlord from and against all liabilities arising out of (i) any work or thing done in or about the Premises by Tenant or any of its assignees, tenants, subtenants, concessionaires, invitees, licensees or their respective agents, employees or contractors ("Tenant Parties"); (ii) any use, non-use, possession, occupation, condition, operation, maintenance or management of the Premises by any Tenant Parties; (iii) any negligence by any Tenant Parties; or (iv) any accident, injury or damage to any person or property occurring in, on or about the Premises, except, as to items (i) through (iv), if the same shall arise solely by reason of any breach of the Lease by Landlord or solely by reason of any gross negligence or willful misconduct by Landlord.
- Casualty:** Tenant is obligated to restore or rebuild the Premises following a casualty, unless Landlord and Tenant agree that it is not practical to do so.
- Environmental Compliance:** Tenant indemnifies Landlord from and against all claims and liabilities in connection with the violation of any environmental law by any Tenant Party; the use, generation, storage or release of any hazardous materials, at any time, in, on, under or above the Premises; and any violation by Tenant of its obligation to contain, clean up and remediate any situation which could form the basis of an Environmental Claim.
- Assignment and Subletting:** Other than (i) licenses of monthly parking spaces, (ii) subleases of the commercial areas of the Premises for retail, office or hotel related purpose, and (iii) transfers to Transferees, as hereinafter defined, Tenant

may not assign its rights under the Lease or sublease all or any part of the Premises without the consent of Landlord.

Encumbrance of Leasehold Estate:

Tenant may from time to time encumber its leasehold estate pursuant to the Lease with one or more mortgages (each, a "Leasehold Mortgage"). The lease shall expressly provide the holders of any leasehold mortgages (each, a "Leasehold Mortgagee") with rights customarily granted to holders of leasehold mortgages, including, but not limited to, the following:

(i) each Leasehold Mortgagee shall be entitled to receive copies of all notices of default or termination sent by Landlord to Tenant; (ii) each Leasehold Mortgagee shall have a commercially reasonable period of time to cure breaches by the Tenant under the Lease; (iii) if a Leasehold Mortgagee or any other purchaser at a foreclosure sale on a Leasehold Mortgage or assignee pursuant to an assignment-in-lieu of a foreclosure sale or an assignee of a Leasehold Mortgagee (a "Transferee") succeeds to the interest of Tenant under Lease, such Leasehold Mortgagee or Transferee shall be recognized as the tenant under the Lease; (iv) no amendment, modification or supplement to the Lease shall be binding on or enforceable against the Leasehold Mortgagee, unless the Leasehold Mortgagee has approved such modification, amendment or supplement in writing; (v) no voluntary termination or surrender of the Lease by the Tenant or mutual termination of the Lease between Landlord and Tenant shall be effective without the prior written consent of the Leasehold Mortgagee; (vi) if the Lease terminates under certain circumstances (such as a default), a Leasehold Mortgagee or Transferee may request that Landlord enter into a new lease for the Premises, and Landlord shall enter into such a new lease for the Premises with the Leasehold Mortgagee or Transferee conditioned upon the curing of defaults. A Transferee may have some of the rights of the Leasehold Mortgagee under the Lease.

Events of Default:

Failure to pay Initial Rent when due;
Failure to pay any other rent within 10 days after written notice;
Failure to maintain required insurance;
Abandonment of the Premises or failure to continue operating a parking garage;
Insolvency, an assignment for the benefit of creditors or bankruptcy;
Failure to release or bond over so as to release of record any mechanic's lien within 10 days of receipt of notice of the filing thereof;
Appointment of receiver if not vacated within sixty (60);
Transfer in violation of Section 17; and
Failure to perform other covenants, conditions or agreements under the

Lease which failure is not cured within 30 days after written notice, or within 60 days if a cure cannot reasonably be effected within 30 days.

Landlord's Remedies:

Landlord's remedies include the following:

Terminating the Lease;

Bringing an action for payment of rent;

Re-entering the Premises, with or without terminating the Lease (but Landlord has no obligation to re-let the Premises); and

Recovering damages.

Holdover:

Tenant becomes tenant at sufferance, and must pay 150% of the greater of (i) most recent Base Annual Net Rent or (ii)(A) 30 times the average posted daily parking rate times the number of spaces in the garage, plus (B) the last annual rent received from the commercial space. To the extent rent in excess of the Base Annual Net Rent is actually received, Landlord may have an obligation to share such excess with the City of Philadelphia under separate documentation.

Tenant agrees to indemnify Landlord for all liabilities arising from Tenant's failure to timely surrender the Premises.

Subordination:

In the event of a foreclosure by a fee mortgagee, so long as Tenant is not in default the Lease will not be terminated and Tenant's rights will not be disturbed, but in the event of such a termination, Leasehold Mortgagee's rights with respect to a termination of the Lease as set forth above shall survive;

Landlord agrees to provide Tenant with a Subordination, Non-Disturbance and Attornment Agreement from the holder of any mortgage encumbering the Premises, which SNDA will provide, among other items acceptable to Leasehold Mortgagee, that (i) any mortgagee who forecloses will recognize and be bound by the Lease and the priority of payments agreed to by Tenant, Landlord, the City of Philadelphia and Leasehold Mortgagee; (ii) the fee mortgagee will recognize and take subject to the Leasehold Mortgagee's rights under the SNDA, (iii) the SNDA will not be modified without the Leasehold Mortgagee's consent, and (iv) the terms of "Encumbrance of Leasehold Estate," above, will be binding upon the fee mortgagee.

Limitation of Liability:

Landlord's liability is limited to its interest in the Premises. Tenant is a single asset entity; the PRA should not anticipate recovery from sources other than the Premises, and the Lease may contain provisions reflecting this.

Waiver of Claims: All claims, defaults, defenses, causes of action and liabilities either party may have had are deemed satisfied and released as of the date of the Lease.

Note: this Term Sheet is for summary and City and PRA approval purposes only. It is not intended as a substitute to the actual lease, and the PRA is not bound until execution of a written lease between Landlord and Tenant.

A portion of the Market Street East Urban Renewal Area, located generally on the east and west sides of Eleventh street from Arch to Filbert streets, but excluding certain air rights



Legend

- Urban Renewal Areas
- Street Centerline
- Parcels

December 2011

