

CONTRACT FOR MANAGEMENT OF THE  
NORTH PARK PUBLIC PARKING GARAGE

DUPLICATE ORIGINAL

Specific Terms

1. **Date:** MAY 24, 2006
2. **Manager:** Five Star Parking – San Diego, a California General Partnership
3. **Co-owners:** Redevelopment Agency of the City of San Diego [Agency] and NPW 2930, LLC [NPW]. The Agency's share of ownership interest in the Parking Garage is eighty-five percent (85%). NPW's share of ownership interest in the Parking Garage is fifteen percent (15%). Co-owners agree to share in all costs of maintaining the Parking Garage, including the Management Fee, insurance costs and accounting costs, to the same extent as each respective Co-owner's ownership interest in the Parking Garage. All costs attributable solely to the public parking enterprise, including promotions, revenue control equipment and staffing, shall be the responsibility of the Redevelopment Agency and its successors. All parking revenue generated from the premises shall be credited to the Agency.
4. **Parking Garage:** North Park Public Parking Garage located at 3829 29<sup>th</sup> Street, San Diego, CA 92104 and the public parking lot located at 2896 North Park Way, San Diego, CA 92104.
5. **Term/Commencement Date:** The term of this Contract for Management of the North Park Public Parking Garage [Contract] shall be five (5) years, commencing on May 1, 2006. At the end of the original term, this Contract shall be automatically renewed for a like term and shall likewise be renewed on succeeding anniversary dates unless either party provides the other with written notice of termination no more than ninety (90) days nor less than thirty (30) days prior to the expiration of any term, in which event this Contract shall terminate at the end of the term then in effect.
6. **Management Fee:** Shall be fixed in accordance with the following monthly rate schedule:

Months 1-12	Months 13-24	Months 25-36	Months 37-48	Months 49-60
\$1,000	\$1,500	\$2,000	\$2,500	\$3,000

7. **Addresses for Notices:**

**To Manager:**

Paul Chacon, Gen Manager  
 Five Star Parking – San Diego  
 655 West Broadway, Ste. 1060  
 San Diego, CA 92101  
 Tel (619) 235-4500  
 Fax (619) 235-0231

**To Co-owner:**

Bud Fischer  
 NPW 2930, LLC  
 315 Fourth Ave.  
 San Diego, CA 92101  
 Tel (619) 231-1505  
 Fax (619) 231-1228

**To Co-owner:**

Tom Romstad, Project Manager  
 Redevelopment Agency, City of San Diego  
 600 B Street, Ste. 400 MS 904  
 San Diego, CA 92101  
 Tel (619) 533-5284  
 Fax (619) 533-5250

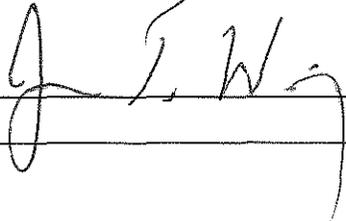
DOCUMENT NO. FX-000152  
 FILED JUL 26 2006  
 OFFICE OF THE REDEVELOPMENT AGEN  
 SAN DIEGO CALIF

8. Security Deposit: The Agency, NPW and Five Star Parking acknowledge the deposit of \$3,912.00 which shall be paid to SDG&E when the utility is placed in the name of Five Star Parking.

The above Specific Terms are incorporated into and made a part of the Parking Garage Management Contract – General Terms attached hereto.

**“CO-OWNER”**

**REDEVELOPMENT AGENCY,  
CITY OF SAN DIEGO**

By:  \_\_\_\_\_  
\_\_\_\_\_

**“MANAGER”**

**FIVE STAR PARKING – SAN DIEGO**  
A California General Partnership

By:  \_\_\_\_\_  
Paul Chacon, General Manager

**“CO-OWNER”**

**NPW 2930, LLC**

By:  \_\_\_\_\_  
\_\_\_\_\_

# PARKING GARAGE MANAGEMENT CONTRACT

## General Terms

1. **Management.** Manager agrees to furnish the personnel, materials, services, management, and other requirements to operate the Parking Garage. Manager shall perform its duties in a manner consistent with good professional practices commonly applied at similar parking facilities in the area where the Parking Garage is located. The parking business at the Parking Garage shall be conducted in Co-owners' name or such name as Co-owners specify, or if none be specified, then in Manager's name if Manager so elects. The business shall be conducted in accordance with general policies established from time to time by Co-owners, subject to Manager's reasonable approval, including, but not limited to, policies relating to hours of operation, charges for parking, and allocation of monthly parking privileges. Manager shall deposit all the gross revenues in its own account, deduct all operating expenses and then remit the remaining net revenue to the Co-owners each month of the term.

2. **Term.** The Co-owners agree to hire Manager as an independent contractor to manage the Parking Garage for the Contract period.

3. **Accounting.** Manager shall use and maintain a suitable accounting system for the parking business at the Parking Garage and shall make the books and records available for Co-owners' inspection and copying at Co-owners' expense, upon five (5) days written notice.

4. **Operating Budget.** Manager shall submit to Owner an operating budget for the next calendar year itemizing all Facility operating expenses estimated by the Manager for the forthcoming year. The budget for the first year of this Contract is attached hereto as Exhibit "A." Thereafter, the Manager shall submit the annual budget by December 1st of each year throughout the remaining contract term. Owner shall, within (30) days of receipt thereof, approve or disapprove said budget; Owner's approval shall not be unreasonably withheld. Owner's failure to give written approval or disapproval within said 30-day period shall be deemed approval. If Owner disapproves the budget, Owner shall specify the reasons therefore in writing and parties shall within ten (10) days meet and confer and attempt to agree on a budget.

4.1 **Budgetary Impasse.** If an impasse occurs during the annual budgetary review process that cannot be resolved to the satisfaction of both parties, Contractor agrees to continue operating the facilities at the greater of (a) ten percent (10%) or (b) the percentage increase in the Consumer Price Index ("Index"), "all items, all urban consumers" for the Los Angeles-Anaheim-Riverside area, published by the US Department of Labor, Bureau of Labor Statistics, comparing the index published nearest preceding the date the budget was submitted with the index published nearest preceding one year before the date the budget was submitted until the next occurring December 1, at which time the Contract is terminable by either party upon providing written notice to the other party.

5. **Expenses.** Subject to reimbursement as provided herein, Manager shall contract and pay for all labor, materials and supplies required for the operation of the Parking Garage, including but not limited to:

A. Wages, salaries, and fringe benefits of Manager's employees working at the Parking Garage; state, federal and local payroll taxes for such employees; worker's compensation insurance;

B. License fees, telephone, tickets, uniforms, cleaning, supplies, and utilities;

C. The cost of insurance provided by Manager and the cost of settling any and all claims related to Manager's operations of the Parking Garage;

D. All banking charges arising from the operation of the Parking Garage;

E. Compensation of employees who only devote part time to the Parking Garage through a proration based upon time actually devoted to the Parking Garage;

F. Emergency repairs, i.e. any repairs or maintenance which in Manager's reasonable opinion are necessary to prevent or mitigate damage to the Parking Garage and/or property therein, or injury to persons, and for which it is impractical to obtain Co-owners' prior consent;

G. Any and all other expenses reasonably incurred in the operation, management, and/or supervision of the Parking Garage.

H. Co-owners agree that Manager may deduct and pay (or reimburse Manager, if Manager has paid) all expenses properly incurred pursuant to this Contract, and Manager's compensation, from the operating revenues of the Parking Garage.

I. Manager agrees to keep the Parking Garage in good, clean and safe condition and repair, and Co-owners agree to approve such expenses as are necessary to so maintain the Parking Garage.

J. Co-owners agree that all obligations properly incurred by Manager in the operation of the Parking Garage are Co-owners' obligations, except that the wages, salaries, benefits, and insurance related to Manager's employees, are Manager's obligation, subject to reimbursement by Co-owners as provided above.

K. Co-owners agree that, except as otherwise provided in the Specific Terms, co-owners shall pay reimbursements to Manager within thirty (30) days after receipt of written request, accompanied by a reasonably detailed accounting; all operating expenses as outlined above. After thirty (30) days of receipt of written reimbursement request, Co-owners shall be subject to a late charge of three-fourths of a percent (0.75) per month until paid.

5.1 Non-Budget Expenses. For any single expense in excess of \$500 which is not covered by the operating budget, the Operator must obtain (3) vendor bids and obtain written approval from the Co-owners prior to contracting for such expense.

6. **Monthly Accounting.** On or before the 15th day of each month, Manager shall furnish to Co-owners a reasonable detailed account of operating expenses for the Parking Garage during the preceding month, showing all compensation payable to

Manager as an expense.

7. **Management Fee.** Co-owners agree to pay Manager, on a monthly basis, the compensation specified in the Specific Terms.

8. **Personnel.** All persons engaged in the operation of the Parking Garage shall be employees of Manager subject to Manager's suspension. Manager shall have the exclusive right to hire, discharge, direct and control said employees. Notwithstanding the foregoing, Co-owners may, at any time, request the removal of any employee for any reason (other than a reason, which is illegal, or against public policy) and Manager shall remove such employee from the Parking Garage within twenty-four (24) hours of such request. Recognizing that Manager expends considerable resources in hiring and training its employees, Co-owners agree not to hire any of Manager's personnel who have worked in the Parking Garage within the twelve (12) months immediately preceding the expiration or termination of this Contract to work in any Parking Garage owned or operated by Co-owners (or any affiliate or Lessee of Co-owners) for a period of twelve (12) months following the expiration or termination of this Contract.

9. **Insurance.** During the term of this Contract, Manager, as named insured, shall maintain standard commercial general liability insurance, with single limit coverage of not less than One Million Dollars (\$1,000,000); standard garage keeper's legal liability and parking equipment insurance with limit not less than One Million Dollars (\$1,000,000); including comprehensive and collision; worker's compensation and employer's liability insurance with limit not less than One Million Dollars (\$1,000,000); excess liability coverage resulting in a total coverage of Ten Million Dollars (\$10,000,000); and money and securities insurance and employee's fidelity bond in form and amounts normally maintained by Manager. Manager shall furnish to Co-owners certification for the above insurance coverage, naming Co-owners as an additional insured as appropriate. Co-owners shall be responsible for the deductible portion of any insurance claims, including any settlements and premiums, provided, however, that Co-owners has approved the premiums and deductible amounts of each policy in advance of the effective date of coverage. The insurance shall be with companies reasonably acceptable to Co-owners and shall require at least ten (10) days prior notice to Co-owners before cancellation or material reduction in coverage. Manager's insurance description in this section shall be furnished as necessary and are included as part of Manager's total company insurance coverage.

10. **Parking Control Equipment and Improvements.** The Parties agree that the Co-owners shall equip the Parking Garage with such equipment and improvements as are reasonably required for its efficient and safe operation for parking purposes.

11. **Arbitration of Disputes:** All disputes regarding this Contract, including the enforcement and interpretation hereof, shall be resolved by binding arbitration pursuant to the commercial rules of the American Arbitration Association to be arbitrated by a three member panel.

Notice: By initialing in the space below, you are agreeing to have any dispute arising out of the matters included in the "Arbitration of Disputes" provision decided by neutral arbitration as provided by California law and you are giving up any rights you might possess to have the dispute litigated in a court or jury trial. By initialing in the

space below, you are giving up your judicial rights to discovery and appeal. Unless those rights are specifically included in the "Arbitration of Disputes" provision. If you refuse to submit to arbitration after agreeing to this provision, you may be compelled to arbitrate under the authority of the California Code of Civil Procedure. Your agreement to this arbitration provision is voluntary.

We have read and understand the foregoing and agree to submit disputes arising out of the matters included in the "arbitration of disputes" provision to neutral arbitration.

  
\_\_\_\_\_  
Co-owners' Initials

  
\_\_\_\_\_  
Manager's Initials

**12. Breach.** Each of the following shall constitute a material breach of this Contract:

A. Failure to make a payment required by this Contract within the time specified herein, or, if no time is specified, within fifteen (15) days after receipt of written demand.

B. If a party becomes the subject of a proceeding under the U.S. bankruptcy code or its interest in this Contract becomes subject to an attachment or judgment or is assigned for the benefit of creditors.

C. Assignment in violation of this Contract.

D. Failure to observe or perform any other term of this Contract required to be observed or performed within thirty (30) days after receipt of written notice; provided, however, that if the breach is curable but cannot reasonably be cured within said 30-day period, it shall not be a material breach if the breaching party promptly commences to cure the breach and diligently prosecute the cure to completion.

**13. Termination.** This Contract may be terminated as follows:

A. If a party commits a material breach, the other party may terminate this Contract (and pursue any remedies it may have) by giving notice of termination, specifying the effective date of termination (which shall not be less than thirty (30) days after delivery of the notice of termination); provided, however, that this Contract shall not terminate if the breach is fully cured before the specified termination date. Notwithstanding the foregoing, notice of termination shall not be required for the breaches specified in Paragraph 13 B.

B. Either party may terminate this Contract if operation of the Parking Garage for parking purposes becomes impractical due to condemnation.

**14. Indemnification.** Manager agrees to indemnify, defend and hold harmless Co-owners and its employees from any claims, losses, liabilities and expenses arising out of Manager's discharge of its duties under this Contract, except to the extent they arise out of the established negligence or willful misconduct of Co-owners or its agents, servants, or employees.

**15. Hazardous Waste.** Manager shall not have any responsibility, nor be required to take any action whatsoever in regard to any hazardous materials or toxic conditions

which (i) are in existence on the Premises at the time this Contract commences, including, but not limited to, certain underground storage tanks, or (ii) which result from the past, present or future subsurface migration of hazardous materials from adjacent properties to the Premises. Such hazardous materials or conditions referred to in the foregoing sentence shall not be the responsibility or liability of the Manager. Co-owners shall indemnify, defend, release and hold harmless Manager, its heirs, successors, assigns, trustees, officers and employees and agents from and against any and all suits, actions, legal or administrative proceedings, claims, demands, damages, fines, punitive damages, losses, costs, liabilities, interest, and attorney's fees resulting from or relating to the presence, disposal or release of any such hazardous materials referred to in the foregoing sentence on or about the Premises. Such indemnity shall include, without limitation, the cost of any repair, clean-up, remediation and detoxification of the Premises and shall survive the termination of this Contract.

**16. Notices.** All notices given pursuant to this Contract shall be in writing and shall be sent by a reasonable courier service with guaranteed next day delivery, or transmitted by first class U.S. mail, postage prepaid, registered or certified mail, with return receipt requested to the addresses specified herein (as the same may be changed by notice duly given), or personally served. For property mailed or couriered, notice shall be deemed received the day after deposit.

**17. Assignment.** Neither the Manager nor the Co-owners may assign this Contract without the others' prior written consent, which shall not be unreasonably withheld. Notwithstanding the foregoing, Manager may assign this Contract without Co-owners' consent to an affiliate of Manager. An "affiliate" of Manager shall be a partnership of which Manager is the managing general partner, or a corporation, which is owned by Manager. Manager shall promptly notify Co-owners of any such assignment or sublease. No assignment or sublease shall relieve Manager of any liability hereunder.

**18. Miscellaneous.**

A. If any legal action or arbitration proceeding is brought to enforce or interpret this Contract, the prevailing party shall be entitled to recover its attorney's fees and costs in addition to any other amounts to which it may be entitled.

B. Time is of the essence in this Contract.

C. This Contract constitutes the entire agreement between the parties and no agreements, promises or representation, either written or oral, have been made which are not contained herein. This Contract may be waived, amended, modified, or altered only in writing.

D. This Contract may be executed in one or more counterparts and signature of one such counterpart shall be deemed to be signatures of all.

E. This Contract is executed in and shall be governed by the laws of the State of California.

F. Each of the terms and conditions hereof are separate and severable and, should any such term or condition hereof be illegal or unenforceable, all other terms and

conditions shall, nevertheless, be fully enforceable and effective.

G. This Contract shall not be construed to create any partnership, joint venture, landlord/tenant, or other relationship between Co-owners and Manager other than that of Manager as an independent Contractor furnishing services to Co-owners.

H. This Contract shall be interpreted in accordance with its reasonable meaning, and not strictly for or against any party. The headings and titles are for convenience only. Words of any gender or neuter gender shall be held to include the other gender, and the singular number shall include the plural, when consistent with reasonable interpretation.

I. Each person signing this Contract on behalf of an entity represents that he/she has been duly authorized to do so and to bind such entity.

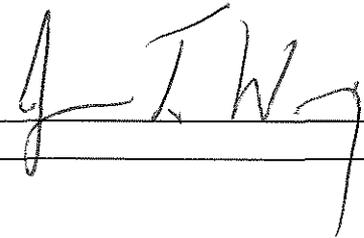
IN WITNESS WHEREOF, the parties hereto have executed this Parking Garage Management Contract the day and year first written above at San Diego, California.

**“CO-OWNER”**

**“MANAGER”**

**REDEVELOPMENT AGENCY  
CITY OF SAN DIEGO**

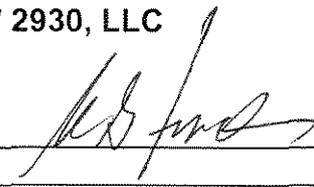
**FIVE STAR PARKING – SAN DIEGO**  
A California General Partnership

By: 

By:   
Paul Chacon, General Manager

**“CO-OWNER”**

**NPW 2930, LLC**

By: 

APPROVED AS TO FORM AND LEGALITY

Agency General Counsel  
Michael Aguirre

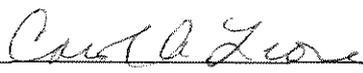
By:   
Deputy General Counsel

EXHIBIT A  
OPERATING BUDGET

Wages & Salaries	\$	6,228	\$	74,737	Per Labor schedule
Payroll Taxes	\$	766	\$	9,193	12.3% of wages
Workers Comp	\$	810	\$	9,716	13.0% of wages
Health & Welfare	\$	160	\$	1,920	\$160 per FT employee
Accounting Fee	\$	500	\$	6,000	\$750 per month
Cleaning/Washing	\$	50	\$	600	Estimate
Credit Card Fees	\$	250	\$	3,000	Estimate
Damage Claims	\$	-	\$	-	Estimate
Elevator	\$	300	\$	3,600	Estimate
Janitorial Supplies	\$	50	\$	600	Estimate
Liability Insurance	\$	500	\$	6,000	Fixed
Management Fee	\$	1,000	\$	12,000	Fixed
Miscellaneous	\$	25	\$	300	Estimate
Office Expense	\$	-	\$	-	None
Pest Control	\$	-	\$	-	Estimate
Repairs & Maintenance	\$	50	\$	600	Estimate
Security Alarm	\$	-	\$	-	Estimate
Security Personnel	\$	-	\$	-	None
Signs	\$	50	\$	600	Estimate
Supplies/Tickets/Cards	\$	250	\$	3,000	Estimate
Sweeping	\$	250	\$	3,000	Estimate
Telephone	\$	100	\$	1,200	Estimate
Trash Disposal	\$	-	\$	-	None
Uniforms	\$	40	\$	480	Estimate
Utilities	\$	2,500	\$	30,000	Estimate-All night lighting
<hr/>					
<b>TOTAL EXPENSES</b>	\$	13,879	\$	166,545	



City of San Diego  
**EQUAL OPPORTUNITY CONTRACTING (EOC)**  
 1010 Second Avenue • Suite 500 • San Diego, CA 92101  
 Phone: (619) 533-4464 • Fax: (619) 533-4474

## WORK FORCE REPORT

### ADMINISTRATIVE

The objective of the *Equal Employment Opportunity Outreach Program*, San Diego Municipal Code Sections 22.3501 through 22.3517, is to ensure that contractors doing business with the City, or receiving funds from the City, do not engage in unlawful discriminatory employment practices prohibited by State and Federal law. Such employment practices include, but are not limited to unlawful discrimination in the following: employment, promotion or upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation, and selection for training, including apprenticeship. Contractors are required to provide a completed *Work Force Report (WFR)*.

### CONTRACTOR IDENTIFICATION

Type of Contractor:       Construction       Vendor/Supplier       Financial Institution       Lessee/Lessor  
     Consultant       Grant Recipient       Insurance Company       Other

Name of Company: Five Star Parking

AKA/DBA: \_\_\_\_\_

Address (Corporate Headquarters, where applicable): 655 W Broadway Ste 1060

City San Diego County San Diego State Ca Zip 92101

Telephone Number: (619) 235-4500 FAX Number: (619) 235-0231

Name of Company CEO: Paul Chacon, General Partner

Address(es), phone and fax number(s) of company facilities located in San Diego County (if different from above):

Address: \_\_\_\_\_

City \_\_\_\_\_ County \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Telephone Number: ( ) \_\_\_\_\_ FAX Number: ( ) \_\_\_\_\_

Type of Business: \_\_\_\_\_ Type of License: \_\_\_\_\_

The Company has appointed: Steve Simmons

as its Equal Employment Opportunity Officer (EEOO). The EEOO has been given authority to establish, disseminate, and enforce equal employment and affirmative action policies of this company. The EEOO may be contacted at:

Address: 655 W Broadway Ste 1060 San Diego, CA 92101

Telephone Number: (619) 235-4500 FAX Number: (619) 235-0231

- One San Diego County (or Most Local County) Work Force - Mandatory  
 Branch Work Force \*  
 Managing Office Work Force

Check the box above that applies to this WFR.

\*Submit a separate Work Force Report for all participating branches. Combine WFRs if more than one branch per county.

I, the undersigned representative of Five Star Parking

San Diego Ca (Firm Name)  
 (County) (State) hereby certify that information provided

herein is true and correct. This document was executed on this 22nd day of May, 2006.

Paul Chacon  
 (Authorized Signature)

PAUL CHACON  
 (Print Authorized Signature)