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RICHARD N. TAKECHI
REGISTER OF DEEDS
DOUGLAS COUNTY, NE

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SITE LEASE AGREEMENT (PARCEL 1)

THIS SITE LEASE AGREEMENT ("Lease") is made and entered into as of the 24th day of April, 2002, by and between the **CITY OF OMAHA, NEBRASKA**, a municipal corporation ("City"), as lessor, and **CITY OF OMAHA CONVENTION HOTEL CORPORATION**, a Nebraska nonprofit corporation ("Corporation"), as lessee.

RECITALS

City, in consideration of the covenants of Corporation hereinafter set forth, does by these presents lease to Corporation the parcel of ground and improvements thereon, together with all easements and appurtenances in adjoining streets for ingress and egress to said property and for provision of sewer, water, gas, power, telephone and other utilities, located in the City of Omaha, Nebraska, more specifically described as Parcel "1" in Exhibit "A" attached hereto.

TO HAVE AND TO HOLD the same unto Corporation for a term commencing on the date hereof and ending on April 24, 2062. The terms herein shall have the meanings given to them in the Master Glossary of Terms referenced in the Indenture. City warrants to Corporation the peaceful and quiet enjoyment of the premises hereby leased for and during the term hereof.

RENT. Corporation, in consideration of the leasing of the premises as above set forth, has agreed with City to pay City as basic rent for the use of the same the sum of Ten Dollars (\$10.00) per year, which rent has been paid by Corporation for the entire term, the receipt and sufficiency of which are hereby acknowledged by City. It is the intention of the parties that the basic rent shall be net to the City and that all other costs and expense attributable to the premises during the term hereof shall be the responsibility of the Corporation.

COVENANTS. Corporation further covenants with City that at the expiration of the term of this Site Lease, peaceable possession of said premises, together with any buildings or improvements now or hereafter situated thereupon during the lease term, shall be given to City. It is further covenanted and agreed between the parties hereto that the leased premises shall be used only in connection with the provision of convention hotel facilities and functions incidental thereto; provided, that this covenant shall cease to be in force or effect in the event of foreclosure under the Indenture.

SITE WORK AND ENVIROMENTAL INDEMNITY. City shall be responsible for the cost of demolition, utility relocation and construction, environmental remediation and grading of the premises. The City shall indemnify, defend, and hold harmless the Corporation, Manager, Design/Builder, Trustee, Bondholders, Ambac Assurance and their respective employees, agents, successors and assigns (the "Indemnified Parties"), from and against any claims, suits, actions, threatened actions, notices of claim, notices of

Box 35

Co2-1166

violation, notices of noncompliance, letters of warning, remediation costs, fines, penalties, losses or other liabilities (whether based on strict liability or otherwise) of any kind including, without limitation, any losses incurred due to Corporation's failure to pay debt service, which the Indemnified Parties may receive or incur following the date of this Agreement on account of the existence of any Hazardous Substance (as hereafter defined) at, on, or under the premises or transferred from the premises through subsurface migration or intentional transportation connected with any remediation or removal activity. The City's indemnification of the Indemnified Parties shall include the payment of attorney's fees and consultant's fees incurred by the Indemnified Parties in responding to an event covered by this Indemnity. This Indemnity shall exclude any Hazardous Substances placed at, on, or under the premises by an Indemnified Party after the date of this Agreement. For purposes hereof, "Hazardous Substance" shall mean and include any "hazardous substance" as defined in the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), the regulations promulgated under CERCLA, and any similar Nebraska statute. "Hazardous Substances" shall also include petroleum (including crude oil or any fraction thereof, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel or mixtures of natural gas in such synthetic fuel and any petroleum-based waste), despite the exclusion of those substances from the definition of "hazardous substance" in CERCLA.

FIRE AND OTHER CASUALTY. Except with respect to condemnation as provided herein below, this Lease shall not terminate nor be affected in any manner by reason of damage to, or total or substantial destruction of the buildings or other structures or improvements erected upon the Premises. Subject to the rights of any Leasehold Mortgagee in and to any insurance proceeds and the right to direct and control any restoration, Corporation shall reconstruct, repair or replace the improvements within a reasonable time as provided in the Indenture. Corporation shall insure the improvements on the Premises at its sole cost on terms satisfactory to Corporation and sufficient to permit compliance with the Indenture. Corporation shall provide City with evidence of such insurance and name City as an additional insured.

EMINENT DOMAIN. In the event the entire Leased Premises is taken under eminent domain, then this Lease shall terminate on the date possession is taken. If any portion of the Premises which would render the Leased Premises useless or without substantial access thereto, is taken under the power of eminent domain or conveyed under the threat of condemnation proceedings, this Lease shall, at the option of Corporation, terminate effective as of the date Corporation is required to give up the right to occupy or use any part of the Leased Premises or the use is impaired. Such right to terminate shall be exercised by Corporation by written notice of termination to City on or prior to the time Corporation is required to surrender possession. If no notice of termination is timely given, the right of Corporation to cancel shall be deemed waived. The termination of this Lease as above provided shall not operate to deprive Corporation or City of the right to make claim against the condemning authority for any damages suffered by Corporation. In the event this Lease is not terminated, there shall be no abatement of the rent. Each party shall be permitted to seek, claim and receive any award, settlement or judgment permitted to it by law arising out of the exercise of the power of eminent domain over the Premises; the parties shall seek

separate awards in any condemnation proceedings. Any right to terminate this Lease pursuant to this section and the Corporation's right to any award, shall be subject to the rights of any Leasehold Mortgagee.

LEASEHOLD MORTGAGE PROVISIONS:

(a) The Corporation shall have, without further City approval, the right and privilege of mortgaging or otherwise encumbering the Corporation's entire leasehold interest, in whole or in part, in the Property, including the Corporation's interest in the Improvements constructed thereon during the Lease term or any part thereof, by executing a leasehold mortgage (a "Leasehold Mortgage") as security for the performance of the Corporation's obligations in connection with the financing or refinancing of the Improvements, it being understood at all times that the City's fee ownership of the Property and the reversion right in the Improvements shall not be encumbered by the Corporation. The Corporation shall have the right to place more than one Leasehold Mortgage on its interest hereunder. The holder of a Leasehold Mortgage is herein called a "Leasehold Mortgagee". For the purpose of this Lease, the term "mortgage" or "Leasehold Mortgage" is used for convenience of reference to include security deeds, deeds to secure debt, deeds of trust, mortgages, assignments of Corporation's interest in rents or lease, or any other instrument, regardless of its title, which is intended to secure the repayment of debts or obligations, and the term "mortgagee" shall be used for convenience to refer to the holder and/or beneficiary of any such instruments.

(b) Upon the placing or assignment of a Leasehold Mortgage, the Corporation or the Leasehold Mortgagee shall notify the City thereof, in the manner herein provided for giving of notice to the City, of the address of the Leasehold Mortgagee to which notices shall be sent. So long as a Leasehold Mortgage is in effect as to which such notice has been given, no surrender, alteration, amendment, or modification of this Lease shall be made without the prior written consent of such Leasehold Mortgagee.

(c) When giving notice to the Corporation with respect to any default under this Lease, the City will also simultaneously provide a copy of such notice to the Manager and to each Leasehold Mortgagee as to which the City has received notice from the Corporation, and no such notice to the Corporation shall be effective unless a copy of such notice is served upon the Manager and the Leasehold Mortgagee in the manner set forth in the Leasehold Mortgage.

(d) Upon receiving notice of a default under any Leasehold Mortgage, the Corporation shall provide the City with a copy of such notice. The Corporation shall use its best efforts to include in any Leasehold Mortgage a provision allowing the City the right to cure any default of the Corporation under such Leasehold Mortgage and a provision under which the Leasehold Mortgagee will notify the City directly of any default by the Corporation under the Leasehold Mortgage.

(e) Upon the occurrence of any default hereunder, the Corporation shall have the right to cure such default during a cure period extending thirty days from the date of

receipt of the notice of such default. Each Leasehold Mortgagee shall have the right to cure such default within the same cure period given to the Corporation, provided that the cure period for the Leasehold Mortgagee shall commence on the date of the expiration of the cure period for the Corporation, it being the parties' intent that the initial burden of curing a Corporation default shall be borne by the Corporation. The City shall accept such performance on the part of the Leasehold Mortgagee as though the same had been done or performed by the Corporation. In the case of any default by the Corporation, other than in the payment of money hereunder, the City will take no action to effect a termination of this Lease without first giving to the Leasehold Mortgagee reasonable time within which either (i) to obtain possession of the Property (including possession by a receiver) and cure such default, in the case of a default that is capable of being cured only when the Leasehold Mortgagee has obtained possession, or (ii) to institute foreclosure proceedings and complete such foreclosure, or otherwise acquire the Corporation's interest under this lease, with diligence and continuity, in the case of default that is not otherwise capable of being cured by the Leasehold Mortgagee; provided, however, that the Leasehold Mortgagee shall not be required to continue such possession or continue such foreclosure proceedings if the default that would have been the reason for effecting a termination of the Lease shall be cured and the Corporation shall have reassumed possession of the Premises; and provided, further, that nothing herein shall preclude the City from exercising any rights and remedies under this Lease with respect to any other default by the Corporation during any period of such forbearance, subject to the provisions hereof.

(f) Any Leasehold Mortgagee, or such other persons or entities as such Leasehold Mortgagee may designate, may become the legal owner and holder of the Corporation's interest in this Lease by foreclosure of its Leasehold Mortgage, or as a result of the assignment of this Lease in lieu of foreclosure. At such time as the Leasehold Mortgagee becomes the legal owner and holder of the Corporation's interest in this Lease, such Leasehold Mortgagee shall immediately become and remain liable as Corporation under this Lease; *provided* that the Leasehold Mortgagee shall be liable for the obligations of the Corporation from the date it becomes the legal owner and holder of the Corporation's interest in this Lease; *provided further*, if the Leasehold Mortgagee thereafter assigns its interest in this Lease, after such assignment the mortgagee will be relieved from any liability under this Lease so that the mortgagee will be liable to City under this Lease only for the period of its tenancy.

(g) In the event of termination of this Lease, or of any succeeding lease made pursuant to the provisions of this Section, prior to the stated expiration date thereof, the City will enter into a new lease of the Property (a "New Lease") with the Leasehold Mortgagee, or, at the request of such Leasehold Mortgagee, with a corporation or other entity formed by or on behalf of such Leasehold Mortgagee, or by and on behalf of the holders of notes or bonds secured by the Leasehold Mortgage held by such Leasehold Mortgagee, or, at the request of such Leasehold Mortgagee, to such other persons as such Leasehold Mortgagee shall designate, for the remainder of the Term, effective as of the date of such termination of this Lease or any succeeding lease, at the annual rent and

additional rent provided for and to be continued upon the terms, covenants, and conditions herein contained, subject to the additional conditions listed below.

(i) Such Leasehold Mortgagee makes written request upon the City for such New Lease within ninety (90) days from the date of such termination.

(ii) Such Leasehold Mortgagee pays, or causes to be paid, to the City at the time of execution and delivery of the New Lease, any and all sums that would have been due from the date of termination to the date of execution and delivery of the New Lease, and pays or causes to be paid, any and all expenses including reasonable attorney's fees, court costs, and disbursements incurred by the City in connection with any such default and termination, as well as in connection with the execution and delivery of such New Lease, less the net income collected by the City from the use of the Property subsequent to the date of termination of this Lease and prior to the execution and delivery of the New Lease. Any excess of such net income received by the City over the aforesaid sums and expenses of the City shall be applied in payment of the rent thereafter becoming due under the New Lease.

EASEMENTS. Corporation shall have, without further City approval, the right to enter into agreements with utility companies or authorities creating easements in favor of such companies as are requested in order to service the Premises with utilities. Such easements shall not affect City's interest unless City executes the easement.

TRADE FIXTURES. City recognizes that from time to time through the term of this Lease, Corporation (or Corporation's sub-lessees, successors or assigns, including Trustee or Manager) may place upon the Leased Premises and within any buildings located thereon machinery, equipment and trade fixtures ("Lessee Property"). City does hereby acknowledge and agree that Lessee Property placed on or located upon the Leased Premises shall be and remain the sole property of Corporation (or Corporation's sub-lessees, successors or assigns, including Trustee or Manager). Such Lessee Property may be removed from the Leased Premises by Corporation (or Corporation's sub-lessees, successors or assigns, including Trustee or Manager) at any time before the termination of this Lease; provided, however, that Corporation shall repair any damage caused by such removal. Any such Lessee Property not removed prior to the termination of this Lease shall be deemed abandoned by the owner thereof. Notwithstanding anything to the contrary set forth or contained in the Lease, City hereby waives any and all constitutional, contractual and/or statutory liens and any and all rights of distress with respect to Lessee Property from time to time located within or upon the Leased Premises during the term of the Lease or any extension thereof. It is hereby covenanted and agreed by City that the Lease does not and will not, from and after this date, be construed or deemed to grant a contractual lien or any other security interest to City or in favor of City with respect to Lessee Property. City agrees to execute and deliver such other instruments as may be reasonably requested by Corporation (or Corporation's sub-lessees, successors or assigns,

including Trustee or Manager) from time to time to evidence or confirm this waiver by City.

SERVICE OF NOTICE. If at any time after the execution of the Lease, it shall become necessary or convenient for one of the parties hereto to serve any notice, demand or communication upon the other party or mortgagee, such notice, demand or communication shall be in writing signed by the party serving the same, and either (i) deposited in registered or certified United States mail, return receipt requested, postage prepaid, or (ii) hand-delivered to the other party, or (iii) deposited with an overnight expedited courier service (such as Federal Express, Airborne, UPS, etc.), to the address below:

If to City:

City Clerk of City of Omaha
1819 Farnam Street
Omaha, NE 68183
Tel: 402-444-5557
Fax: 402-444-5263

If to Corporation:

City Attorney
1819 Farnam Street
Suite 804
Omaha, NE 68183
Tel: 402-444-5115
Fax: 402-444-5125

If to Bond Trustee:

Wells Fargo Bank Nebraska, NA
1248 O Street
Lincoln, NE 68508
Tel: 402-434-6106
Fax: 402-434-6123
(Leasehold Mortgagee)

If to Mortgage Trustee:

First American Title Insurance Company
c/o Security Land Title & Escrow Company
13924 Gold Circle
Omaha, NE 68144
Tel: 402-333-7447
Fax: 402-333-1242
(Leasehold Mortgagee)

If to Manager:

Hilton Hotels Corporation

9336 Civic Center Drive
Beverly Hills, CA 90210
Attention: General Counsel
Tel: 310-205-4280
Fax: 310-205-7694

w/a copy to:

Andrews & Kurth, LLP
1717 Main Street, Su 3700
Dallas, TX 75201
Attention: Kathleen Wu
Tel: 214-659-4448
Fax: 214-659-4401

or to such other address as either party may have furnished to the other in writing as a place for the service of notice. Any notice mailed shall be deemed to have been received three (3) days after the same is deposited in the United States mail; notice hand-delivered shall be deemed given upon the date of delivery if delivered; and any notice delivered by overnight expedited delivery shall be deemed to have been received upon actual or attempted but not accepted delivery.

CERTIFICATES. If either party shall desire to sell, assign, convey or encumber its interest, the other party shall, without charge, at any time and from time to time, within ten (10) days after written request of the other, certify to the best of its knowledge by written instrument duly executed and acknowledged to any assignee, mortgagee or proposed purchaser: (a) as to whether this Lease has been supplemented or amended, and if so, the substance and manner of such supplement or amendment; (b) as to the validity and force and effect of this Lease, in accordance with its tenor as then constituted; (c) as to the existence of any known default thereunder and if any default is claimed, a specification of the default and the action required to cure default; (d) as to the existence of any known offsets, counterclaims or defenses thereto on the part of such other party; (e) as to the commencement and expiration dates of the term of this Lease; and (f) as to any other matters as may reasonably be so requested. Any such certificate may be relied upon by the party requesting it and by any other person, firm or corporation to whom the same may be exhibited or delivered, and the contents of such certificate shall be binding on the party executing same.

The covenants herein shall extend to and be binding upon the successors and assigns of the parties to this Site Lease.

IN WITNESS WHEREOF, the parties hereto have caused this Site Lease Agreement to be executed by their duly authorized officers as of the day and year first written above.

[SEAL]

CITY OF OMAHA, NEBRASKA

**IMPRINTED SEAL
REGISTER OF DEEDS**

By Mike Jaley
Mayor

ATTEST:

By Dusty Brown
City Clerk

[SEAL]

CITY OF OMAHA CONVENTION
HOTEL CORPORATION

**CORPORATE SEAL
REGISTER OF DEEDS**

By Art Sten
President

ATTEST:

By Allie Heni
Secretary

APPROVED AS TO FORM:

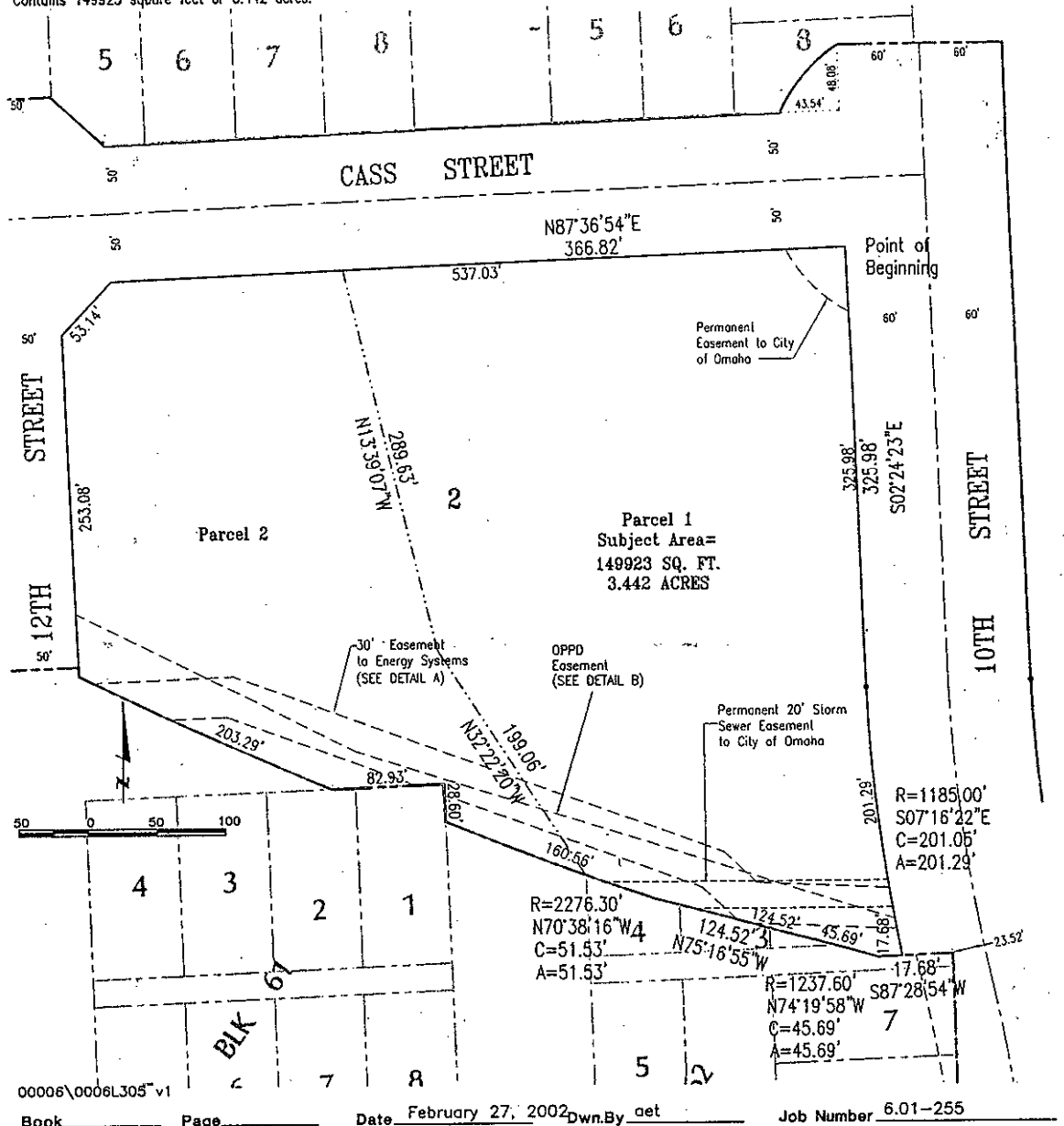
By Tom Boyer
Deputy City Attorney

Lot 2 UNION PACIFIC PLACE (Parcel 1)

LEGAL DESCRIPTION

That part of Lot 2, UNION PACIFIC PLACE, a subdivision, as surveyed, platted and recorded in Douglas County, Nebraska, described as follows:

Beginning at the northeast corner of said Lot 2, Union Pacific Place;
 Thence South 02°24'23" East (bearings referenced to the final plat of Union Pacific Place) for 325.98 feet along the east line of said Lot 2;
 Thence along a curve to the left (having a radius of 1185.00 feet and a long chord bearing South 07°16'22" East for 201.05 feet) for an arc length of 201.29 feet to the southeast corner of said Lot 2;
 Thence along the south line of said Lot 2, Union Pacific Place for the following four (4) courses;
 1) Thence South 87°28'54" West for 17.68 feet;
 2) Thence along a curve to the left (having a radius of 1237.60 feet and a long chord bearing North 74°19'58" West for 45.69 feet) for an arc length of 45.69 feet;
 3) Thence North 75°16'55" West for 124.52 feet;
 Thence along a curve to the right (having a radius of 2276.30 feet and a long chord bearing North 70°38'16" West for 51.53 feet) for an arc length of 51.53 feet;
 Thence North 32°22'20" West for 199.06 feet;
 Thence North 13°39'07" West for 289.63 feet to the north line of said Lot 2;
 Thence North 87°36'54" East for 366.82 feet to the POINT OF BEGINNING.
 Contains 149923 square feet or 3.442 acres.



lamp, rynearson & associates, inc.
engineers surveyors planners

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omaha, nebraska 68154-2029

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fax 402-498-2730