

PROMISSORY NOTE ASSIGNMENT

1. FOR VALUE RECEIVED, the undersigned PARKING AUTHORITY OF THE CITY OF SANTA MONICA ("Authority"), hereby assigns, transfers and sets over unto CITY OF SANTA MONICA ("City"), all rights relating to Promissory Note A ("Note A"), including all moneys now due or hereafter to become due to Authority from Note A, under the Amended and Restated Sale and Performance Agreement by and Among the City of Santa Monica, the Parking Authority of the City of Santa Monica, and the Redevelopment Agency of the City of Santa Monica for the Santa Monica Downtown Parking Garage Acquisition and Retrofit Project, dated as of June 20, 2003, and as further amended by an Amendment No. 1 dated _____, 2004 (the "Agreement").

2. This assignment (this "Assignment") includes any and all amendments thereto and supplements thereto now existing or hereafter arising, no matter how evidenced, and any extensions, renewals or modifications of Note A, and constitutes a present and absolute assignment to City as of the Effective Date. Upon the occurrence of an event of default or failure to pay Note A when due, City may, in its sole discretion, may initiate or participate in any legal proceedings respecting the enforcement of said rights. Authority acknowledges that by accepting this Assignment, City does not assume any of Authority's obligations under the Agreement.

3. Authority hereby irrevocably constitutes and appoints City the true and lawful attorney-in-fact of Authority with respect to Note A, which power is deemed coupled with an interest to demand, receive and enforce payments, and to give receipts, releases and satisfactions, either in the name of Authority or in the name of City, in the same manner and with the same effect as Authority could do if this Assignment had not been made.

4. Authority agrees that should any payments assigned hereunder be received by Authority, such payments will be received in trust for City and Authority will forthwith deliver the same to City in the identical form received by Authority.

5. Authority represents and warrants to City, as of the Effective Date that:

- (a) Authority is the sole owner of the rights, privileges and interests being assigned to the City;
- (b) Authority has the right to make this Assignment and such rights and interests are granted and assigned free from liens, encumbrances, claims, setoffs of every kind whatsoever;
- (c) the Agreement is in full force and effect and enforceable in accordance with its terms and no default, or event which would constitute a default after notice or the passage of time, or both, exists with respect to the Agreement;
- (d) Authority has not heretofore assigned or pledged its interest in Note A, and Authority will not further pledge or assign its interest in Note A; and

(f) this Assignment is irrevocable and shall remain in full force and effect until and unless defeasance or payment in full, of the Santa Monica Public Financing Authority Lease Revenue Bonds, Series 2004 (Civic Center Parking garage Project) (the "Bonds"), and any bonds issued to refund the Bonds; no event of termination or release shall have any effect unless and until City shall execute, in writing, a certification that such event has occurred; and until such certification is so executed by City and delivered, all persons may rely upon this document as an effective assignment of the rights, privileges and property interests, as hereinabove described.

6. Authority agrees:

(a) to observe and perform all obligations of Authority under the Agreement, and to indemnify and hold City harmless from the consequences of any failure to do so;

(b) to enforce the payment and performance of all obligations of any other person or entity under the Agreement;

(c) not to further assign, for security or any other purposes, its rights under the Note A; and

(d) City may assign its right, title and interest in Note A to any person or entity without any further requirement of Authority's consent, and any such assignment shall be valid and binding upon Authority as fully as if it had expressly approved the same.

7. City hereby accepts the foregoing Assignment.

8. This Assignment, together with the agreements, covenants and warranties contained herein, shall inure to the benefit of City and any subsequent assignee or transferee and shall be binding upon City and any subsequent assign or successor-in-interest.

9. This Assignment shall be governed exclusively by the provisions hereof and by the laws of the State of California as they may from time to time exist.

10. "Effective Date" shall mean _____.

11. This Assignment may be executed in any number of counterparts, each of which shall be deemed to be an original, but together shall constitute but one and the same Assignment.

Dated as of September ___, 2004

PARKING AUTHORITY OF THE CITY OF
SANTA MONICA

By: _____
Susan E. McCarthy
Executive Secretary

Attest:

By: _____
Maria Stewart
Authority Clerk

CITY OF SANTA MONICA

By: _____
Susan E. McCarthy
City Manager

Attest:

By: _____
Maria Stewart
City Clerk

APPROVED AS TO FORM:

Marsha Jones Moutrie
City Attorney and Authority General Counsel