

FORM APPROVED COUNTY COUNSEL  
 BY: GREGORY P. PRIAMOS DATE: 3/14/16

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
 COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

178



**SUBMITTAL DATE:**  
 March 17, 2016

**FROM:** Economic Development Agency

**SUBJECT:** Vail Ranch Historic Site – Consent to Extension Agreement, CEQA Exempt, District 3, [\$3,400,000], Vail Ranch Sales Tax Sharing Agreement Escrow 100%

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Find that the execution of the Consent to Extension Agreement does not constitute a project under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378);
2. Approve and authorize the Chairman to sign a consent to a Modification of Deed of Trust, Extension Agreement, Amendment to Loan Documents & Notice of Additional Advance between Vail Headquarters, LLC and Preferred Bank, to extend and amend the loan; and

(Continued)

Robert Field  
 Assistant County Executive Officer/EDA

| FINANCIAL DATA   | Current Fiscal Year: | Next Fiscal Year: | Total Cost:  | Ongoing Cost:                   | POLICY/CONSENT (per Exec. Office)   |
|--|----------------------|-------------------|--------------|---------------------------------|---|
| COST   | \$ 0                 | \$ 3,400,000      | \$ 3,400,000 | \$ 0                            | Consent <input checked="" type="checkbox"/> Policy <input type="checkbox"/> |
| NET COUNTY COST  | \$ 0                 | \$ 0              | \$ 0         | \$ 0                            |   |
| <b>SOURCE OF FUNDS:</b> Vail Ranch Sales Tax Sharing Agreement Escrow 100% (previously approved) |                      |                   |              | <b>Budget Adjustment:</b> Yes   |   |
|  |                      |                   |              | <b>For Fiscal Year:</b> 2015/16 |   |

**C.E.O. RECOMMENDATION:** APPROVE  
 BY: Denise C. Harden  
 County Executive Office Signature Denise C. Harden

**MINUTES OF THE BOARD OF SUPERVISORS**

- A-30
- 4/5 Vote
- Positions Added
- Change Order

3-9

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

Economic Development Agency

**FORM 11:** Vail Ranch Historic Site – Consent to Extension Agreement, CEQA Exempt, District 3, [\$3,400,000], Vail Ranch Sales Tax Sharing Agreement Escrow 100%

**DATE:** March 17, 2016

**PAGE:** 2 of 3

**RECOMMENDED MOTION:** (Continued)

3. Authorize the Executive Director of EDA or designee to execute and administer all necessary actions to complete this transaction.

**BACKGROUND:**

**Summary**

Pursuant to a Settlement Agreement dated January 27, 1998, on May 13, 2003, the Board of Supervisors approved and executed an Offer to Dedicate and Lease Agreement between the County and Redhawk Towne Center, LLC (the Historic Site Lease) to restore, lease and maintain the Vail Ranch Historic Site. The primary features of the original agreements are as follows:

- Upon completion and restoration of the entire site, the Developer will dedicate the four acre historic site and six structures to the County;
- The County will lease the entire site back to the Developer for a period of 30 years, plus two options for a total of 49 years;
- The Developer will complete the restoration and adaptive reuse of the historic site, estimated to cost over \$7,000,000;
- The Developer will sublease to the County 1,400 square feet of improved space for a period of 49 years, and provide a license for use of the entire site for educational and community activities;
- The County will pay \$3.2 million plus accrued interest in sublease payments to the Developer from Sales and Use Tax generated on the adjacent retail development site; and
- At the end of the 49 year lease period, the County will have exclusive possession and ownership of the entire historic site, including the restored structures.

The Historic Site is comprised of six historic structures on approximately four acres of a larger site that was approved for 400,000 square feet of retail space that was subsequently developed. Redhawk Towne Center, LLC, was acquired by a new parent company, Kimco Realty Corporation. Kimco did not have expertise in adaptive re-use of historic structures and proposed that a developer with experience in this area be solicited for the project. Kimco issued a request for proposals for the restoration and re-use of the historic site, and Arteco Partners was selected based on extensive experience on adaptive re-use for commercial and residential projects in the Inland Empire. Arteco Partners is family-owned and operated, and it is their mission to foster historic preservation through investment and long-term commitment to communities through public-private partnerships. An assignment obligated Vail Headquarters, LLC, a limited liability corporation formed by the members of Arteco Partners (VHQ), to complete the project based on the same terms and conditions that were agreed to in the original agreement and subsequent amendments in 2007, 2008 and 2009.

At the time the Fourth Amendment was approved and executed, restoration improvements were anticipated to be completed by December 2015. Construction of the restoration improvements are well under way and it is anticipated by VHQ that completion could occur as early as May 2016.

(Continued)

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

Economic Development Agency

**FORM 11:** Vail Ranch Historic Site – Consent to Extension Agreement, CEQA Exempt, District 3, [\$3,400,000], Vail Ranch Sales Tax Sharing Agreement Escrow 100%

**DATE:** March 17, 2016

**PAGE:** 3 of 3

**Impact on Residents and Businesses**

This historic preservation reuse project will allow for enjoyment of a key and historic site of the County. The residents and businesses will benefit from this historic project which has the potential to increase tourism and business in this region through events, festivals and community activities. The historic educational value of the site will be a draw to students, residents, teachers and families who will come to enjoy and learn.

**Contract History and Price Reasonableness**

On May 13, 2003, Redhawk Towne Center LLC (Redhawk) and County entered into that certain Offer to Dedicate & Lease Agreement, as amended by that certain letter agreement dated November 14, 2003, (Original Offer to Dedicate), wherein Redhawk agreed, among other things, to complete certain Restoration Improvements to a 4 acre historic site (the Historic Site) that is part of the commercial center owned by Redhawk.

On January 23, 2007, the County, VHQ and Redhawk entered into a first amendment to the Original Offer to Dedicate, which provided a new schedule for completion of the Restoration Improvements and further provided for Redhawk to convey the Historic Site to VHQ.

On September 2, 2008, the County and Redhawk entered into a second amendment to the Original Offer to Dedicate, which provided a new schedule for completion of the Restoration Improvements and further provided for Redhawk to convey the Historic Site to VHQ.

On September 1, 2009, the County and VHQ entered into a third amendment to the Original Offer to Dedicate which provided an updated schedule for the Restoration Improvements.

On July 29, 2014, the County and VHQ entered into a fourth amendment to Offer to Dedicate and Lease, which provided for an updated site plan, an amended schedule for the Restoration Improvements, and updated payment provisions that recognize and accommodate the fact that conditions in the original Offer to Dedicate and Lease Agreement necessary to sequester sales and use tax from the site into escrow have already been fulfilled.

On January 26, 2016, the County and VHQ entered into a fifth amendment to Offer to Dedicate and Lease.

The Modification of Deed of Trust, Extension Agreement, Amendment to Loan Documents & Notice of Additional Advance will extend the loan term to March 5, 2017 and has been reviewed and approved as to form by County Counsel.

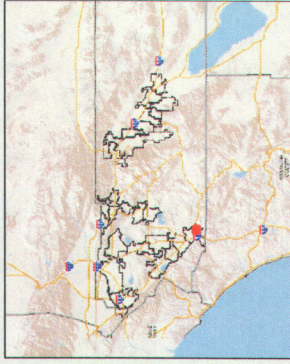
**Attachments:**

Modification of Deed of Trust, Extension Agreement, Amendment to Loan Documents & Notice of Additional Advance (4)

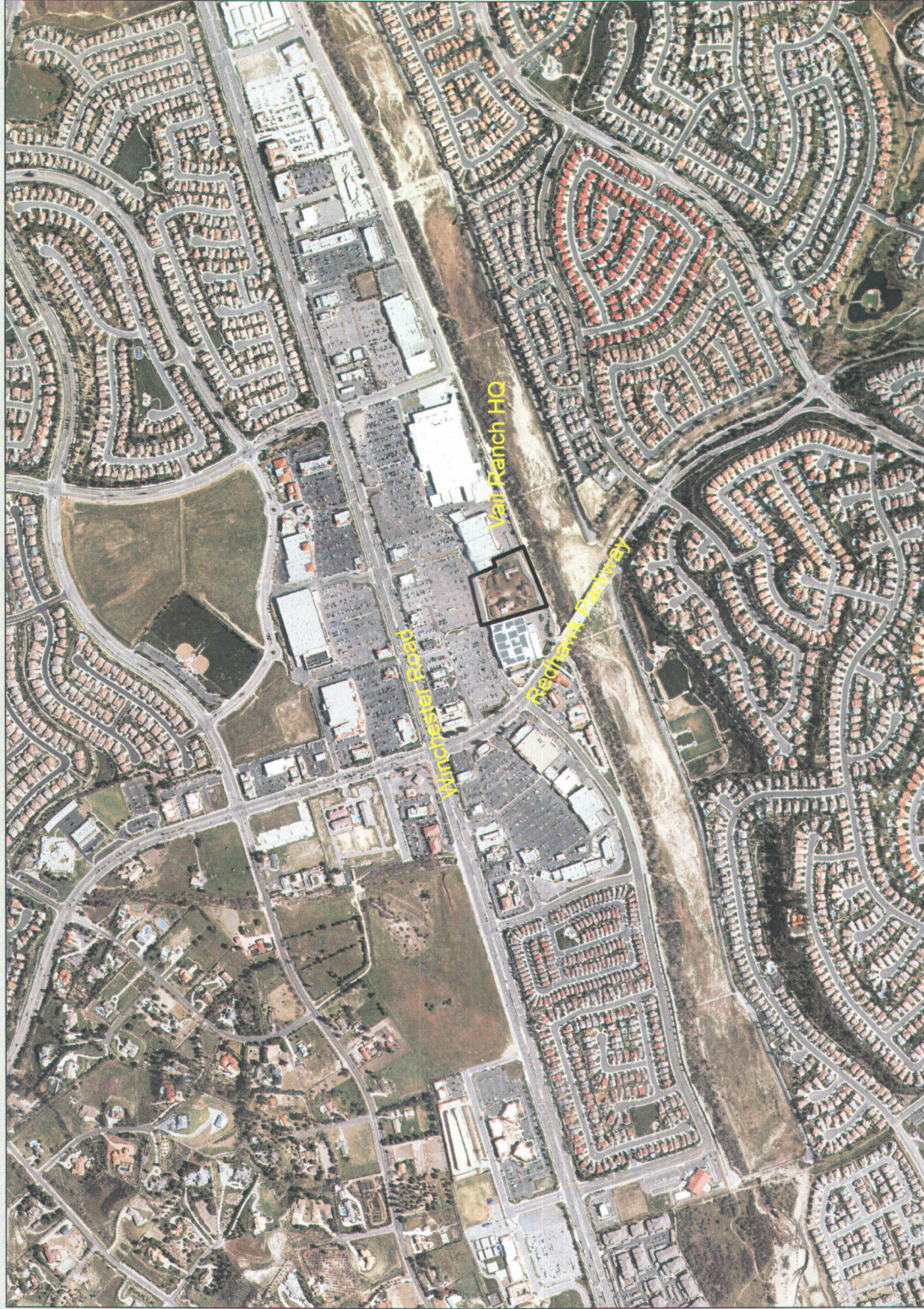
Aerial Image

# Vail Historic Headquarters

Consent to Loan



Legend



**\*IMPORTANT\*** Maps and data are to be used for reference purposes only. Map features are approximate, and are not necessarily accurate to surveying or engineering standards. The County of Riverside makes no warranty or guarantee as to the content (the source is often third party), accuracy, timeliness, or completeness of any of the data provided, and assumes no legal responsibility for the information contained on this map. Any use of this product with respect to accuracy and precision shall be the sole responsibility of the user.

**Notes**  
District 3  
APN 960-010-044



0 1,320 2,641 Feet



REPORT PRINTED ON... 3/3/2016 9:52:21 AM

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**MODIFICATION OF DEED OF TRUST, EXTENSION AGREEMENT,  
AMENDMENT TO LOAN DOCUMENTS AND NOTICE OF ADDITIONAL  
ADVANCE**

THIS MODIFICATION OF DEED OF TRUST, EXTENSION AGREEMENT, AMENDMENT TO LOAN DOCUMENTS AND NOTICE OF ADDITIONAL ADVANCE ("Amendment") is entered into as of March 2, 2016 by and between VAIL HEADQUARTERS LLC, a California limited liability company ("Borrower"), GERALD TESSIER, an individual aka Jerry Tessier ("G. Tessier"), and Catherine B. Tessier, as Trustee of THE VICTOR AND CATHERINE TESSIER LIVING TRUST dated August 1, 1991, u/a/d December 19, 2013 ("Tessier Living Trust" and together with G. Tessier, individually and collectively, "Guarantor"), on the one hand, and PREFERRED BANK, a California banking corporation ("Lender"), on the other hand.

**RECITALS**

A. Lender has made a loan (the "Loan") to Borrower in the original maximum principal amount of Three Million Three Hundred Thirteen Thousand Seven Hundred Fourteen and No/100 Dollars (\$3,313,714.00), which Loan is evidenced, in part, by that certain Promissory Note dated September 5, 2014, in the original principal amount of Three Million Three Hundred Thirteen Thousand Seven Hundred Fourteen and No/100 Dollars (\$3,313,714.00), executed by Borrower in favor of Lender (together with any and all amendments thereto or modifications thereof, the "Note").

B. In connection with the Loan, Borrower also executed and delivered to and in favor of Lender, the following additional documents, among others:

1. Construction and Term Loan Agreement dated September 5, 2014 (together with any and all amendments thereto or modifications thereof, the "Loan Agreement"), executed by and between Borrower and Lender.

2. Construction Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated September 5, 2014 (together with any and all amendments thereto or modifications thereof, the "Deed of Trust"), executed by Borrower in favor of Lender, which was recorded on September 26, 2014, as Instrument No. 2014-0366572 in the County of Riverside, California, encumbering the real property more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference ("Property"); and

3. Hazardous Substances Indemnity Agreement dated September 5, 2014 (together with any and all amendments thereto or modifications thereof, the "Indemnity Agreement"), executed by Borrower in favor of Lender.

C. Payment and performance of Borrower's indebtedness and obligations in connection with the Loan was and is guaranteed by each Guarantor, who delivered to and in favor of Lender: (i) a Continuing Guaranty dated September 5, 2014, executed by G. Tessier; (ii) a Completion Guaranty dated September 5, 2014, executed by G. Tessier;

(iii) a Continuing Guaranty dated September 5, 2014, executed by Tessier Living Trust; and, (iv) a Completion Guaranty dated September 5, 2014, executed by Tessier Living Trust (individually and collectively, "Guaranty").

D. Pursuant to the Deed of Trust, Borrower granted to and in favor of Lender a first priority security interest in and lien upon certain real and personal property described in the Deed of Trust (the "Deed of Trust Collateral"), to secure, without limitation, payment and performance of the indebtedness and obligations under and in connection with the Loan and the Note. Lender's security interest in the Deed of Trust Collateral was and is perfected under applicable law.

E. Borrower and Guarantor executed that certain Extension Agreement dated December 8, 2015 ("First Extension"), whereby pursuant to Section 3.4.1 of the Loan Agreement, Lender extended the maturity date of the Loan from December 5, 2015 to March 5, 2016.

F. The Note, Loan Agreement, Deed of Trust, Assignment of Rents, Indemnity Agreement, Guaranty, First Extension and all other assignments, agreements, instruments and other documents executed by Borrower or Guarantor in connection with the Loan shall at times hereinafter be referred to collectively as the "Loan Documents."

G. Borrower and Guarantor have each requested the Lender consent and agree to the following:

1. That Lender advance additional sums under the Note in the sum of \$1,633,031.00 ("Additional Advance) for the purpose of financing the payment of certain Construction Hard Costs (as defined in the Loan Agreement). The Additional Advance shall be added to the principal sum under the Note for a total principal sum of \$4,946,745.00. The Additional Advance under the Note shall be secured by the Property pursuant to the Deed of Trust and by any and all other security documents executed pursuant to the Loan Agreement, as such Deed of Trust and other documents are amended pursuant to this Amendment;

2. That Lender further extend the maturity date of the Loan from March 5, 2016, to March 5, 2017; and

3. That certain amendments be made to the Loan Agreement, the Note, the Deed of Trust and certain other of the Loan Documents.

I. Lender is willing to agree to said requests, subject to the terms and conditions set forth in this Amendment.

## AGREEMENT

NOW, THEREFORE, for valuable consideration and the mutual promises of the parties hereto, said parties do hereby acknowledge and agree as follows:

1. Recitals.

The recitals are incorporated herein by this reference as are all exhibits. Borrower and Guarantor, and each of them, agree and acknowledge that the factual information recited above is true and correct. All terms not expressly defined herein shall be as defined in the Loan Agreement.

2. Borrower and Guarantor Acknowledgment as to Obligations.

A. Borrower and Guarantor, and each of them, acknowledge and confirm that as of March 2, 2016, (i) the total principal amount owing to Lender on the Note is \$2,566,337.18, plus accrued and unpaid interest thereon, and (ii) the total undisbursed principal amount on the Note that is available to Borrower for Advances is \$747,376.82.

B. Borrower and Guarantor, and each of them, specifically acknowledge and confirm that they do not have any valid offset or defense to the obligations, indebtedness and liability under the Loan Documents.

3. Reaffirmation of Obligations.

This Amendment is, in part, a reaffirmation of the obligations, indebtedness and liability of Borrower and Guarantor, and each of them, to Lender as evidenced by the Loan Documents. Therefore, Borrower and Guarantor, and each of them, acknowledge and agree that, except as specified herein, all of the terms and conditions of the Loan Documents are and shall remain in full force and effect, without waiver or modification of any kind whatsoever, and are ratified and confirmed in all respects.

4. Increase in Maximum Principal Amount of Loan.

A. The maximum principal amount of the Loan shall be increased by \$1,633,031.00 to \$4,946,745.00. The Additional Advance shall be disbursed and otherwise administered in accordance with and subject to the terms of the Loan Agreement and the other Loan Documents, including, without limitation, Section 3.11 of the Loan Agreement.

B. The Additional Advance under the Note shall be secured by the Property pursuant to the Deed of Trust, and by any and all other security documents executed pursuant to the Loan Agreement, as such Deed of Trust and other documents are amended pursuant to this Amendment.

5. Extension of Maturity Date; Amendment of Note, Loan Agreement, Deed of Trust and other Loan Documents.

A. The Maturity Date is hereby extended to March 5, 2017, at which time the entire principal balance under the Loan plus all accrued and unpaid interest

thereon is and shall be due and payable as provided under the Loan Documents. Any and all references in the Loan Documents to "Maturity Date" shall mean March 5, 2017.

B. Any and all references in the Note, Loan Agreement, Deed of Trust and the other Loan Documents to the principal loan amount of " Three Million Three Hundred Thirteen Thousand Seven Hundred Fourteen and No/100 Dollars" and "\$3,313,714.00" shall be replaced with "Four Million Nine Hundred Forty-Six Thousand Seven Hundred Forty-Five and No/100 Dollars" and "\$4,946,745.00", respectively.

C. The Additional Advance shall be disbursed solely for the purpose of paying for Construction Hard Costs in accordance with (i) the terms and conditions set forth in the Loan Agreement and (ii) the Updated Cost Breakdown, as revised by this Amendment ("Updated Cost Breakdown").

D. Exhibit "B" (Cost Breakdown) of the Loan Agreement is hereby deleted in its entirety and replaced with the Updated Cost Breakdown as set forth in the new Exhibit "B" attached hereto.

6. This Amendment One of the Loan Documents.

From and after the effective date of this Amendment, this Amendment and any other documents and instruments executed in connection herewith shall each constitute one of the "Loan Documents."

7. Effective Date of Amendment.

This Amendment and the amendments provided for herein shall be effective as of March 5, 2016, subject to the timely and complete satisfaction of each and all of the conditions precedent set forth in Section 10 of this Amendment.

8. Borrower's and Guarantor's Representations and Warranties.

Borrower and Guarantor, and each of them, hereby represent and warrant to Lender and covenant and agree with Lender as follows:

A. Borrower and Guarantor, and each of them, have full legal right, power and authority to enter into and perform this Amendment. The execution and delivery of this Amendment by Borrower and the consummation by Borrower of the transactions contemplated hereby have been duly authorized by all necessary action by or on behalf of Borrower. This Amendment is a valid and binding obligation of Borrower and Guarantor, and each of them, enforceable against Borrower and Guarantor in accordance with its terms.

B. Neither the execution and delivery of this Amendment by Borrower or Guarantor, nor the consummation by Borrower or Guarantor of the transactions contemplated hereby, conflicts with or constitutes a violation or a default under any law applicable to Borrower or Guarantor, or any contract, commitment, agreement, arrangement or restriction of any kind to which Borrower or Guarantor is a



party, by which Borrower or Guarantor is bound or to which any of Borrower's or Guarantor's property or assets is subject.

C. There are no actions, suits or proceedings pending, or to the knowledge of Borrower or Guarantor, threatened against or affecting Borrower or Guarantor, respectively, in relation to its obligations to Lender or involving the validity and enforceability of this Amendment, the Note, the Loan Agreement, the Deed of Trust, the Guaranty or any of the other Loan Documents, as applicable, or the priority of any liens given by Borrower to Lender in accordance with the Note, the Loan Agreement, the Deed of Trust and the other Loan Documents, at law or in equity, or before or by any governmental agency, or which could have a material adverse effect on the financial condition, operations, properties, assets, liabilities or earnings of Borrower or Guarantor, or the ability of Borrower or Guarantor to perform its obligations to Lender.

D. Borrower and Guarantor, and each of them, hereby reaffirm and confirm that the representations and warranties of Borrower and Guarantor, as applicable, contained in the Loan Documents are true, correct and complete in all material respects as of the date of this Amendment.

E. Borrower and Guarantor, and each of them, are in full and complete compliance with the terms, covenants, provisions and conditions of the Note, the Loan Agreement, the Deed of Trust, the Guaranty and the other Loan Documents.

F. Borrower and Guarantor have no knowledge of any release of hazardous materials (as defined in the Deed of Trust) on the Property.

All covenants, representations and warranties of Borrower and Guarantor herein are incorporated by reference and hereby made a part of the Loan Agreement and the Guaranty, as applicable.

9. Conditions Precedent to Effectiveness of Amendment.

The effectiveness of this Amendment is expressly conditioned upon the following having occurred or Lender having received as of April 30, 2016, all of the following documents, certificates and other instruments, in form and content satisfactory to Lender and its counsel, and suitable for filing or recording as required:

A. This Amendment, fully executed by Borrower and Guarantor, and consented to by the County of Riverside;

B. The fully executed and acknowledged Memorandum of Modification of Deed of Trust, Extension Agreement, Amendment to Loan Documents and Notice of Additional Advance by Borrower and Guarantor, which shall be recorded in the Official Records of Riverside County, California.

C. Borrower shall have paid to Lender a nonrefundable loan fee in the total amount of \$12,247.73 (the "Additional Loan Fee"), which Additional Loan Fee shall be paid from the Additional Advance and shall be deemed fully earned when paid;

D. Lender shall have obtained an updated appraisal of the Property reporting that the increased maximum principal amount of the Loan of \$4,946,745.00 to the appraised "as completed and stabilized" value of the Property does not exceed fifty-nine percent (59%);

E. Borrower shall have replenished the Interest Reserve (as defined in the Loan Agreement) by an additional amount equal to not less than \$170,000.00 from Borrower's own funds, which amount shall be applied to pay for interest due under the terms of the Note in accordance with Section 3.8.3 of the Loan Agreement during the extension period granted by Lender in this Amendment;

F. At Borrower's expense, endorsements to Lender's existing policy of title insurance insuring the lien of the Deed of Trust, which endorsements will provide, in substance, for an increase in the amount of coverage under said policy to \$4,946,745.00 and that the first priority of the lien of the Deed of Trust on the Property is unaffected by this Amendment, and such other endorsements as Lender deems appropriate, in its sole and absolute opinion and judgment;

G. Resolutions and/or other authorizations of Borrower, Guarantor and/or its members and managers, as applicable, evidencing approval and authorization of the transactions contemplated hereunder and the documents and instruments to be executed by Borrower or Guarantor in connection herewith;

H. Such additional information, assignments, agreements, certificates, reports, approvals, instruments, documents, subordination agreements, financing statements, consents and opinions as Lender may request, in its sole and absolute opinion and judgment, in connection with this Amendment and/or any of the matters which are the subject of this Amendment; and

I. Payment of the fees and costs of Lender in connection with the preparation, negotiation, administration and execution of this Amendment including, but not limited to, appraisal fees, attorneys' fees and costs and the fees and costs of other professionals retained by Lender.

#### 10. General Release.

A. Except as to the obligations imposed upon Lender, as provided herein, Borrower and Guarantor, and each of them, on behalf of themselves, their respective successors and assigns, and each of them, do each hereby forever relieve, release, acquit and discharge Lender and its predecessors, successors and assigns, and their respective past and present attorneys, accountants, insurers, representatives, affiliates, partners, subsidiaries, officers, employees, directors, and shareholders, and each of them (collectively, the "Released Parties"), from any and all claims, debts,

liabilities, demands, obligations, promises, acts, agreements, costs and expenses (including, but not limited to, attorneys' fees), damages, injuries, actions and causes of action, of whatever kind or nature, whether legal or equitable, known or unknown, suspected or unsuspected, contingent or fixed, which Borrower and Guarantor, and any of them, now own or hold or have at any time heretofore owned or held or may at any time hereafter own or hold against the Released Parties, or any of them, by reason of any acts, facts, transactions or any circumstances whatsoever occurring or existing through the date of this Amendment, including, but not limited to, those based upon, arising out of, appertaining to, or in connection with the Recitals above, the Loan, the facts pertaining to this Amendment, any collateral heretofore granted to Lender or granted in connection herewith, or to any other obligations of Borrower and/or Guarantor to Lender, or the lending arrangements between Lender and Borrower.

As to the matters released herein, Borrower and Guarantor, and each of them, expressly waive any and all rights under Section 1542 of the Civil Code of the State of California, which provides as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.”

Borrower and Guarantor, and each of them, expressly waive and release any right or benefit which they have or may have under Section 1542 of the Civil Code of the State of California, and any similar law of any state, territory, commonwealth or possession of the United States, or the United States, to the full extent that they may waive all such rights and benefits pertaining to the matters released herein. In connection with such waiver and relinquishment, Borrower and Guarantor, and each of them, acknowledge that they are aware that they may hereafter discover claims presently unknown or unsuspected, or facts in addition to or different from those which they now know or believe to be true. Nevertheless, it is the intention of Borrower and Guarantor, and each of them, through this Amendment, to fully, finally and forever release all such matters, and all claims relative thereto, which do now exist, may exist, or heretofore have existed. In furtherance of such intention, the release herein given shall be and remain in effect as a full and complete release of such matters notwithstanding the discovery or existence of any such additional or different claims or facts relative thereto.

B. In entering into the release provided for in this Amendment, Borrower and Guarantor, and each of them, recognize that no facts or representations are ever absolutely certain; accordingly, Borrower and Guarantor, and each of them, assume the risk of any misrepresentation, concealment or mistake, and if Borrower and Guarantor, or any of them, should subsequently discover that any fact that they relied upon in entering into these releases was untrue, or that any fact was concealed from them, or that any understanding of the facts or of the law was incorrect, Borrower and Guarantor, and each of them, shall be not entitled to set aside these releases by reason thereof, regardless of any claims of fraud, misrepresentation, promise made without the

intention of performing it, concealment of fact, mistake of fact or law, or any other circumstances whatsoever.

C. Borrower and Guarantor, and each of them, are the sole and lawful owners of all right, title and interest in and to every claim and other matter which they purport to release herein, and they have not heretofore assigned or transferred, or purported to assign or transfer to any person or any entity claims or other matters herein released. Borrower and Guarantor, and each of them, shall indemnify, defend and hold Lender and each of the other Released Parties, and each of them, harmless from and against any claims, liabilities, actions, causes of action, demands, injuries, costs, and expenses (including, but not limited to, attorneys' fees), based upon or arising in connection with any such prior assignment or transfer, or any such purported assignment or transfer, or any claims or other matters released herein.

11. Miscellaneous.

A. Section headings used in this Amendment are for convenience only and shall not affect the construction of this Amendment.

B. This Amendment may be executed in one or more counterparts but all of the counterparts shall constitute one Amendment; provided, however, that this Amendment shall not be effective and enforceable unless and until it is executed by all parties hereto.

C. This Amendment and the other documents and instruments executed in connection therewith constitute the product of the negotiation of the parties hereto and the enforcement hereof shall be interpreted in a neutral manner, and not more strongly for or against any party based upon the source of the draftmanship hereof.

D. This Amendment is not a novation, nor, except as expressly provided in this Amendment, is it to be construed as a release or modification of any of the terms, conditions, warranties, waivers or rights set forth in the Note, the Loan Agreement, the Deed of Trust, the Guaranty or any of the other Loan Documents. Nothing contained in this Amendment shall be deemed to constitute a waiver by Lender of any required performance by Borrower or Guarantor, or any of them, of any Event of Default or default heretofore or hereafter occurring under or in connection with the Note, the Loan Agreement, the Deed of Trust, the Guaranty or any of the other Loan Documents. In the event there is a conflict in any term, condition or provision of this Amendment, on the one hand, and the Note, the Loan Agreement, the Deed of Trust, the Guaranty or any of the other Loan Documents, on the other hand, the terms, conditions and provisions of this Amendment are to control.

[Signature page to follow.]

**IN WITNESS WHEREOF**, Borrower, Guarantor and Lender have executed and delivered this Amendment as of the date set forth above.

**BORROWER:**

VAIL HEADQUARTERS LLC,  
a California limited liability company

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

Name: Gerald V. Tessier

Its: Manager

**GUARANTOR:**

\_\_\_\_\_  
GERALD TESSIER, an individual aka Jerry Tessier

\_\_\_\_\_  
Catherine B. Tessier, Trustee of THE VICTOR  
AND CATHERINE TESSIER LIVING TRUST  
dated August 1, 1991, u/a/d December 19, 2013

**LENDER:**

PREFERRED BANK,  
a California banking corporation

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**CONSENT**

Pursuant to Section 30 of the Offer to Dedicate and Lease Agreement dated March 13, 2003, together with any and all amendments thereto or modifications thereof (the "Agreement"), between the County of Riverside, a political subdivision of the State of California (the "County"), and Vail Headquarters, LLC, a California limited liability company ("VHQ"), the County consents to VHQ exercising its right to amend certain obligations and indebtedness of VHQ to Preferred Bank, a California banking corporation ("Lender") by a Modification of Deed of Trust, Extension Agreement, Amendment to Loan Documents and Notice of Additional Advance dated as of March 2, 2016 by and between, among others, VHQ and Lender, in connection with that certain Deed of Trust dated September 5, 2014, together with any and all amendments thereto or modifications thereof (the "Deed of Trust"), executed by VHQ in favor of Lender, which was recorded on September 26, 2014, as Instrument No. 2014-0366572 in the County of Riverside, California encumbering the real property more particularly described in Exhibit "A" attached hereto, consistent with the terms and conditions of the Agreement.

COUNTY OF RIVERSIDE,  
a political subdivision of the State of California

By: \_\_\_\_\_  
John J. Benoit, Chairman  
Board of Supervisors

ATTEST:  
Kecia Harper-Ihem  
Clerk of the Board

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

APPROVED AS TO FORM:  
Gregory P. Priamos  
County Counsel

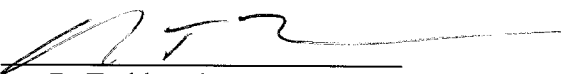
By:   
R. Todd Frahm  
Deputy County Counsel

EXHIBIT "A"  
LEGAL DESCRIPTION OF PROPERTY

Real property in the City of Temecula, County of Riverside, State of California, described as follows:

PARCEL 1:

PARCEL G AS SHOWN ON LOT LINE ADJUSTMENT NO. 4512, AS EVIDENCED BY DOCUMENT RECORDED SEPTEMBER 16, 2002 AS INSTRUMENT NO. 02-513211 OF OFFICIAL RECORDS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEING A PORTION OF LOTS 5, 6 AND 7 OF TRACT 23172, AS RECORDED IN BOOK OF MAPS AT PAGE 94 THROUGH 99, RECORDS OF RIVERSIDE COUNTY, CA,

ALSO BEING A PORTION OF PROPERTY "G" AND "H" AS SHOWN ON LOT LINE ADJUSTMENT NO. 4265 RECORDED AS INSTRUMENT NO. 00-350018, RECORDS OF RIVERSIDE COUNTY, CA., DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEASTERLY CORNER OF PROPERTY "G" AS SHOWN ON LOT LINE ADJUSTMENT NO. 4265 RECORDED AS INSTRUMENT NO. 00-350018, RECORDS OF RIVERSIDE COUNTY, CA., SAID POINT ALSO BEING ON SOUTHERLY LINE OF SAID TRACT 23172

THENCE; NORTHEASTERLY ALONG SAID SOUTHERLY LINE, NORTH 68° 58? 51" EAST, A DISTANCE OF 86.51 FEET, TO THE TRUE POINT OF BEGINNING;

THENCE; NORTH 22° 08? 00" WEST, A DISTANCE OF 225.65 FEET; THENCE; SOUTH 67° 52? 00" WEST, A DISTANCE OF 50.80 FEET; THENCE; NORTH 22° 08? 00" WEST, A DISTANCE OF 193.64 FEET; THENCE; SOUTH 76° 11? 38" WEST, A DISTANCE OF 349.91 FEET;

THENCE; SOUTH 16° 37? 49" EAST, A DISTANCE OF 463.52 FEET;

THENCE; NORTH 68° 58? 51" EAST, A DISTANCE OF 441.55 FEET, TO THE TRUE POINT OF BEGINNING.

PARCEL 2:

A PERPETUAL, APPURTENANT AND NONEXCLUSIVE EASEMENT FOR PEDESTRIAN AND VEHICULAR INGRESS AND EGRESS AND PARKING OVER PARCELS D, E AND H AS SHOWN ON NOTICE OF LOT LINE ADJUSTMENT 4265 RECORDED SEPTEMBER 6, 2000 AS INSTRUMENT NO. 2000-350018 OF OFFICIAL RECORDS.

APN: 960-010-044-8