

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



ITEM  
3.18  
(ID # 3008)

**MEETING DATE:**  
Tuesday, December 13, 2016

**FROM :** ECONOMIC DEVELOPMENT AGENCY (EDA):

**SUBJECT:** ECONOMIC DEVELOPMENT AGENCY (EDA): Vail Ranch Historic Site – Ground Lessor's Consent, Estoppel Certificate and Agreement, CEQA Exempt, District 3, [\$0]

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

1. Find that the project is exempt from CEQA pursuant to State CEQA Guidelines Section 15301, Class 1 Existing Facilities Exemption and 15061 (b)(3) "Common Sense" Exemption;
2. Approve and authorize the Chairman to execute the attached Ground Lessor's Consent, Estoppel Certificate and Agreement pertaining to the Ground Lease; and
3. Approve and authorize the Chairman to execute the attached Consent to the Third Extension Agreement and Amendment to Loan Document.

Robert Field, Assistant County Director of Economic Development 11/29/2016

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$0	\$0	\$0	\$0
NET COUNTY COST	\$0	\$0	\$0	\$0
SOURCE OF FUNDS: N/A			<b>Budget Adjustment:</b>	No
			<b>For Fiscal Year:</b>	2016/17

**C.E.O. RECOMMENDATION:** [CEO use]

**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Washington, seconded by Supervisor Ashley and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione Washington and Ashley  
 Nays: None  
 Absent: Benoit  
 Date: December 13, 2016  
 xc: EDA

Kecia Harper-Ihem  
 Clerk of the Board  
 By:   
 Deputy

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

**BACKGROUND:**

**Summary**

On November 1, 2016, the County accepted the dedication of the Vail Ranch Historic Site from VHQ and entered into a Developer Lease and Memorandum of Lease. VHQ is to retain title to the restored structures throughout the term of the Developer Lease.

The attached Ground Lessor's Consent, Estoppel Certificate and agreement between the County, Vail Headquarters, LLC, and Preferred Bank, the lender for Vail Headquarters, LLC, reaffirms the primary terms and conditions of the associated Ground Lease for the purpose of providing Preferred Bank assurances regarding the project, the obligations of the parties related thereto, and the lender's position within the transaction. The attached Consent to the Third Extension Agreement and Amendment to Loan Document from VHQ to Preferred Bank reaffirms the consent for VHQ to exercise its right to amend certain obligations and the indebtedness of VHQ to Preferred Bank. Both documents have been approved as to form by County Counsel.

Pursuant to the California Environmental Quality Act (CEQA), the Developer Lease was reviewed and determined to be categorically exempt from CEQA, under State CEQA 15301, Class 1, Existing Facilities Exemption; and Section 15061 (b)(3), common sense, general rule exemption, as it will not result in direct impacts to the physical environment or reasonably foreseeable indirect effects.

**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**

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 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 VHQ entered into a second amendment to the Original Offer to Dedicate, which provided a new schedule for completion of the Restoration

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

Improvements. Concurrently, the County erroneously executed the Developer Lease with an effective date that did not coincide with the transfer of the Historic Site to the County.

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.

**SUPPLEMENTAL:**

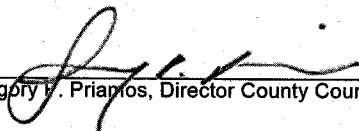
**Additional Fiscal Information**

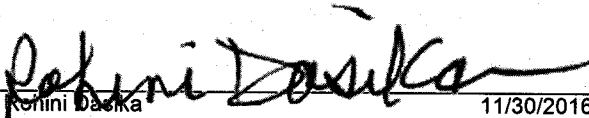
There are no costs associated with this transaction.


**Attachments:**

Ground Lessor's Consent, Estoppel Certificate and Agreement  
Consent to the Third Extension Agreement and Amendment to Loan Documents

RF:JVW:VC:VY:CAO:ra 205FM 18.514 13421  
MinuteTraq# 3008

  
\_\_\_\_\_  
Gregory V. Priamos, Director County Counsel 11/29/2016

  
\_\_\_\_\_  
Rohini Dasika 11/30/2016

  
\_\_\_\_\_  
Denise Harden, EO Principal Budget Analyst 12/7/2016

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

PREFERRED BANK  
601 S. Figueroa Street, 29<sup>th</sup> Floor  
Los Angeles, California 90017  
Attention: Note Department

Assessor's Parcel No.: 960-010-044-8

**GROUND LESSOR'S CONSENT, ESTOPPEL CERTIFICATE  
AND AGREEMENT**

The undersigned, (i) the COUNTY OF RIVERSIDE, a political subdivision of the State of California ("Ground Lessor"), as current lessor under that certain Vail Ranch Historic Site Lease Agreement, entered into on or about November 1, 2016, (the "Ground Lease"), between Ground Lessor and VAIL HEADQUARTERS, LLC, a California limited liability company ("Ground Lessee"), as lessee, covering that certain premises located in the City of Temecula, County of Riverside, State of California (the "Leased Property"), legally described in Exhibit "A" hereto, and pursuant to which Ground Lessee acquired a leasehold interest in the Leased Property, and (ii) Ground Lessee, hereby certify to and agree with PREFERRED BANK, a California banking corporation ("Lender"), as follows:

A. Ground Lessor hereby certifies to Lender:

1. Ground Lessee has obtained an extension of credit from Lender in the principal sum of \$4,946,745.00 ("Loan"). Ground Lessee desires to secure the Loan, in part, by Ground Lessee's interest in the Leased Property pursuant to the Ground Lease, and Lender is relying, in part, upon this Ground Lessor's Consent, Estoppel Certificate and Agreement ("Agreement") in securing the Loan with Ground Lessee's interest in the Leased Property.

2. Ground Lessor is the current ground lessor under the Ground Lease.

3. Ground Lessee is the current ground lessee under the Ground Lease. Ground Lessor has not assigned or conveyed or agreed to assign or convey Ground Lessor's interest under the Ground Lease in whole or in part, except in connection with the Loan. Pursuant to the Ground Lease, Ground Lessee has the right to sublease all or any portion of the Premises to third parties without the consent of Ground Lessor and has subleased portions of the Premises to third parties.

4. The Ground Lease is in full force and effect, and there have been no amendments, modifications, changes or additions since their execution. The Ground Lease and the Vail Ranch Historic Site Sub-Lease Agreement, effective November 1, 2016 (the "Sublease") between Ground Lessee, as sublessor, and Ground Lessor, as

sublessee, constitute the full and entire understanding and agreement between Ground Lessor and Ground Lessee pertaining to the Ground Lease, the Sublease and the Leased Property.

5. Ground Lessee has accepted the Leased Property on November 1, 2016.

6. The first rent payment by Ground Lessee is not due until Ground Lessee has accepted the Leased Property. The amount of the current monthly ground rent payment is \$1.00.

7. No rent has been paid by Ground Lessee.

8. Ground Lessor is not in breach or default of any of the terms, conditions or provisions of the Ground Lease.

9. Ground Lessor does not have any claims, causes of action, judgments, liabilities or demands of any kind, nature or character against Ground Lessee concerning the Ground Lease.

10. The Ground Lease is in full force and effect and Ground Lessee is not, in any respect, in default under the terms and provisions of the Ground Lease. Further, Ground Lessor knows of no event which would constitute a default under the terms of the Ground Lease by either Ground Lessee or Ground Lessor.

12. The Ground Lease is for an original term of sixty-five (65) years, commencing on the date of acceptance of the offer to dedicate from Vail Headquarters, LLC to County of Riverside and conveyance of fee title by Ground Lessee to County of Riverside. Ground Lessee has no option to extend the term of the Ground Lease, except as follows: None. Ground Lessee has no right to purchase the Leased Property, except as follows: None.

13. Ground Lessor has not encumbered its fee interest in the Leased Premises to any lender or financial institution, whether by way of mortgage, deed of trust or other security instruments.

14. Ground Lessor hereby consents to the extension of credit by Lender and the encumbrance of Ground Lessee's interest in the Ground Lease pursuant to a deed of trust by Ground Lessee in favor of Lender ("Deed of Trust"). Ground Lessor acknowledges that this Agreement constitutes notice to Ground Lessor to the extent such notice is required under the Ground Lease.

15. Ground Lessor has been further advised by Ground Lessee that Lender has required, in order to induce Lender to make the Loan, among other matters, the delivery of the following statements, agreements, and representations by Ground Lessor to Lender:

a. Ground Lessor agrees and acknowledges that Lender is and shall be a "Leasehold Mortgagee" (as defined in the Ground Lease), and the Deed of Trust

shall be a "Leasehold Mortgage" (as defined in the Ground Lease). Accordingly, Lender shall be a direct beneficiary of all of the rights and privileges of a Leasehold Mortgagee under the Ground Lease and Ground Lessor shall owe directly to Lender all of the duties that the Ground Lessor owes to a Leasehold Mortgagee under the Ground Lease.

b. During the term of the Loan, Ground Lessor will not change or amend the Ground Lease or any interest of the Lessee thereunder without Lender's prior written consent, pursuant to Section 16.03(a) of the Ground Lease.

c. Ground Lessor shall deliver to Lender a copy of any notice relating to a default by Ground Lessee under the Ground Lease at the time it gives such notice to Ground Lessee pursuant to Section 16.03(b) of the Ground Lease. All such notices shall be given to Lender in accordance with the Ground Lease, at 601 S. Figueroa Street, 29<sup>th</sup> Floor, Los Angeles, California 90017, Attention: Note Department or to such other address as Lender may hereinafter designate in writing and delivered in the manner provided for notice to be given under the Ground Lease.

d. Ground Lessor shall not terminate the Ground Lease because of any default or breach of the Ground Lease by Ground Lessee, if the same can be cured by the payment or expenditure of money ("monetary default"), unless within sixty (60) days after Lender's receipt of written notice by Ground Lessor of such default or breach of the Ground Lease by Ground Lessee subject to Section 16.03(d) of the Ground Lease, Lender or Ground Lessee fails to cure such monetary default.

e. Subject to Section 16.03(d) of the Ground Lease, in the event of a non-monetary default by Ground Lessee under the Ground Lease, the Ground Lessor agrees that Lender shall have the right (but not the obligation) to cure such non-monetary default within sixty (60) days after service of written notice by Ground Lessor to Lender of such default or breach. Further, Ground Lessor agrees that Ground Lessor shall not terminate the Ground Lease in connection with any such non-monetary default which Lender has elected to remedy or cause to be remedied even if said non-monetary default is not remedied within the time period provided for in the Ground Lease, or such sixty (60)-day period, as applicable; provided, that Lender has commenced remedying or causing to be remedied such default with reasonable diligence, and continues the process with reasonable diligence to completion, and taking into account that Lender may be required to take possession of the Leased Property or obtain the appointment of a receiver to take possession of the Leased Property; provided, further, that during the time that Lender is curing such non-monetary defaults, Lender also cures any monetary defaults as provided in paragraph 15.d above.

f. Subject to Section 16.05 of the Ground Lease, if the Ground Lease is terminated for any reason or is, in connection with any bankruptcy proceeding, rejected or terminated by a trustee, a debtor in possession or by operation of law, Ground Lessor shall, at Lender's written request within sixty (60) days after the date of any such rejection or termination, enter into a new lease of the Leased Property with Lender for the remainder of the term of the Ground Lease, effective as of the date of such rejection, at the rent and upon the same terms, provisions, covenants and agreements as are contained

in the Ground Lease (except for any requirements which have been satisfied by or on behalf of Ground Lessee prior to such rejection or termination); provided, that Lender shall, upon execution of the new lease, pay to Ground Lessor any and all sums which would have been due under the Ground Lease as of the time of execution and delivery of the new lease, but for the rejection or termination thereof. Upon execution of said new lease, (i) Ground Lessor shall assign to Lender Ground Lessor's interest, if any, in any subleases on the Leased Property (excluding Ground Lessor's interest as sublessee under the Sublease), and (ii) Ground Lessor agrees and acknowledges that the execution and delivery of said new lease shall be deemed consent to the then existing subleases on the Premises entered into by Ground Lessee with third parties, which Ground Lessee's interest in such subleases shall be assigned to Lender following the execution of said new lease.

g. Ground Lessor shall not terminate the Ground Lease or invoke its right to take possession of the Leased Property if within sixty (60) days after Lender receives notice from Ground Lessor of the occurrence of an event of default under the Ground Lease, Lender commences foreclosure or other proceedings in order to enforce Lender's rights under the Deed of Trust and Lender diligently proceeds in good faith to enforce its foreclosure or other remedies, including appointment of a receiver.

h. If Ground Lessee's interest in the Ground Lease is acquired by Lender or a wholly owned subsidiary or other affiliate of Lender, by reason of foreclosure or other proceedings brought to enforce Lender's rights under the Deed of Trust or any other security document, or by deed in lieu of foreclosure, or by any other method, the Ground Lease and the rights of the Ground Lessee thereunder shall continue in full force and effect and shall not be terminated or disturbed by Ground Lessor, except in accordance with the terms of the Ground Lease and this Agreement. Upon such acquisition by Lender, Lender shall attorn to Ground Lessor as landlord under the Ground Lease, which attornment shall be effective and self-operative without the execution of any other instrument on the part of any party hereto, immediately upon Lender's succeeding to the interest of Ground Lessee under the Ground Lease. In the event Lender desires to enter into a new lease with Ground Lessor upon Lender's acquisition of Ground Lessee's interest in the Ground Lease, Ground Lessor shall enter into a new lease with Lender upon Lender's request to Ground Lessor within sixty (60) days after such acquisition by Lender.

i. If Lender acquires title to Ground Lessee's interest in the Ground Lease by foreclosure of the Deed of Trust or by assignment or deed in lieu of foreclosure, or otherwise, or under a new lease pursuant to this Agreement, Lender may assign the Ground Lease or the new lease, without the consent of Ground Lessor, and shall thereupon be released from all liability for the performance or observance of the covenants and conditions contained in the Ground Lease or such new lease required on said Ground Lessee's part to be performed and observed from and after the date of such assignment.

B. Ground Lessor and Ground Lessee hereby agree with and for the benefit of Lender that:

1. Ground Lessor hereby intentionally and unconditionally subordinates its lien or charge upon the Leased Property in favor of the lien or charge of Lender upon the Leased Property.

2. Notwithstanding any Ground Lease provisions to the contrary, policies of fire, casualty, and extended coverage insurance shall be carried by the Ground Lessee covering the building or buildings constructed on the Leased Property with loss payable clause to Lender, as beneficiary under the Deed of Trust, and any disposition of the proceeds thereof in case of loss shall be subject to the rights of Lender therein as provided in the Deed of Trust and thereafter as the interests of the parties appear.

3. Any and all eminent domain or condemnation awards or damages recoverable by the Ground Lessee shall first be applied in payment of the then outstanding balance, if any, of the Loan and the balance of such awards and damages, if any, shall be paid to Ground Lessor and Ground Lessee, as their interest may appear.

4. Ground Lessor hereby waives the right to obtain, for any liability of Ground Lessee that arises, accrues, or is the subject of legal action while the Deed of Trust is in existence a lien on any equipment or furnishings of Lessee that may constitute a part of the improvements on the Leased Property.

5. Unless this Agreement contradicts a term or provision of the Ground Lease, it is the parties' intent that this Agreement and the Ground Lease be construed as though no conflict exists between their terms. In the event of a conflict between the terms of the Ground Lease and this Agreement as it relates to Lender, the terms of this Agreement shall control.

6. Lender shall be entitled to all of the benefits of the Ground Lease, subject to Lender's compliance with the provisions thereof.

C. This Agreement may be executed in any number of counterparts, and any party hereto or thereto may execute any counterpart, each of which, when executed and delivered, will be deemed to be an original, and all of which counterparts of this Agreement, as the case may be, taken together will be deemed to be but one and the same instrument. The execution of this Agreement by any party or parties hereto or thereto will not become effective until counterparts hereof or thereof, as the case may be, have been executed by all the parties hereto or thereto.

[Signature page to follow.]

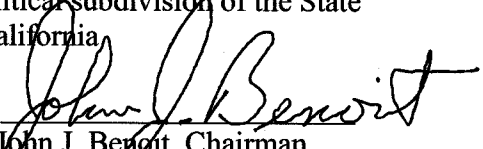


IN WITNESS WHEREOF, the parties hereto have executed this Ground Lessor's Consent, Estoppel Certificate and Agreement as of the date written below.

Dated: December 13, 2016

**"GROUND LESSOR":**

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

By:   
John J. Benoit, Chairman  
Board of Supervisors

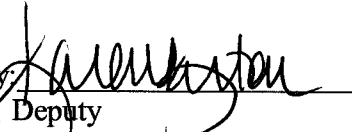
**"GROUND LESSEE":**

VAIL HEADQUARTERS, LLC,  
a California limited liability company

By: \_\_\_\_\_  
Gerald V. Tessier  
Its: Manager

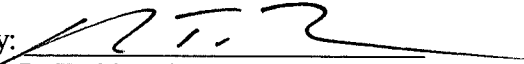
**ATTEST:**

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

**"LENDER":**

PREFERRED BANK,  
a California banking corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

[ALL SIGNATURES MUST BE ACKNOWLEDGED]

IN WITNESS WHEREOF, the parties hereto have executed this Ground Lessor's Consent, Estoppel Certificate and Agreement as of the date first above written.

Dated: \_\_\_\_\_, 2016

**"GROUND LESSOR":**

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

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

**"GROUND LESSEE":**

VAIL HEADQUARTERS, LLC,  
a California limited liability company

By: \_\_\_\_\_  
Gerald V. Tessier  
Its: Manager

**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

**"LENDER":**

PREFERRED BANK,  
a California banking corporation

By: \_\_\_\_\_  
Name: Carol Lee  
Its: FVP

[ALL SIGNATURES MUST BE ACKNOWLEDGED]

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF RIVERSIDE

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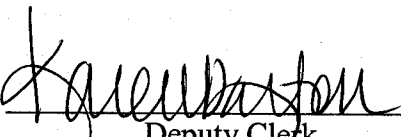
On December 13, 2016, before me, Karen Barton, Board Assistant, personally appeared John J. Benoit, Chairman of the Board of Supervisors, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument; and that a copy of this paper, document or instrument has been delivered to the chairperson.

I certify under the penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

Kecia Harper-Ihem  
Clerk of the Board of Supervisors

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

  
Deputy Clerk

(SEAL)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA )  
COUNTY OF Los Angeles ) ss

On November 10, 2016, before me, Xiao Li Wells, a Notary Public, personally appeared Carol Lee, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Xiao Li Wells  
Notary Public



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA )  
 ) ss  
COUNTY OF Los Angeles )

On November 7, 2016, before me, Margaret Ann Rinke, a Notary Public, personally appeared Gerald V. Tessier, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Margaret Ann Rinke  
Notary Public



## **EXHIBIT "A"**

### **Premises**

#### **Legal Description**

All that certain real property situated in the County of Riverside, State of California, excepting therefrom all buildings and improvements now or hereafter located on said land, 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 No. 23172, in the City of Temecula, County of Riverside, State of California, as recorded in Book 251 of Maps, at Pages 94 through 99, inclusive, Records of Riverside County, Ca.

Also being a portion of Property "G" and "H" as shown on Lot Line Adjustment No. 4265, recorded September 6, 2000 as Instrument No. 00-350018, Records of Riverside County, California, described as follows:

Commencing at the Southeasterly corner of Property "G" as shown on Lot Line Adjustment No. 4265, recorded as September 6, 2000 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:**

NON-EXCLUSIVE EASEMENTS APPURTENANT TO PARCEL 1 FOR INGRESS, EGRESS, DRIVEWAY USE, AND PARKING AS DESCRIBED IN THAT CERTAIN DOCUMENT ENTITLED DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND RECIPROCAL EASEMENTS RECORDED JULY 30, 2002 AS DOCUMENT NO. 2002-414853 OF OFFICIAL RECORDS.

Assessor's Parcel No: 960-010-044-8

## THIRD EXTENSION AGREEMENT AND AMENDMENT TO LOAN DOCUMENTS

THIS THIRD EXTENSION AGREEMENT AND AMENDMENT TO LOAN DOCUMENTS ("Agreement") is entered into as of November 1, 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 Agreements 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 Agreements 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 Agreements 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 Agreements 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;

12.13.16 3:18

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. Borrower and Guarantor executed that certain Modification Deed of Trust, Extension Agreement, Agreement to Loan Documents and Notice of Additional Advance dated March 2, 2016 ("Second Extension"), whereby, among other things, (i) Lender agreed to advance additional amounts under the Note in the sum of \$1,633,031.00 and (ii) the maturity date of the Loan was extended to March 5, 2017.

G. The Note, Loan Agreement, Deed of Trust, Assignment of Rents, Indemnity Agreement, Guaranty, First Extension, Second 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."

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

1. That Lender further extend the maturity date of the Loan to November 1, 2021 pursuant to Section 3.4.2 of the Loan Agreement; and

2. That Lender consent to the transfer of the fee interest in the Property from Borrower to the County of Riverside pursuant to the Offer to Dedicate and contemporaneously therewith Lender shall release the fee interest in the Property from the Construction Deed of Trust and Borrower shall grant to Lender the Leasehold Deed of Trust; and

3. That certain amendments be made to the Loan Agreement, the Note, 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 Agreement.



## 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 November 1, 2016, (i) the total principal amount owing to Lender on the Note is \$4,596,019.28, plus accrued and unpaid interest thereon, and (ii) the total undisbursed principal amount on the Note that is available to Borrower for Advances is \$350,725.72.

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 Agreement 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. Extension of Maturity Date; Conversion to Term Loan. Upon satisfaction of the conditions precedent set forth herein, the Maturity Date is hereby extended to November 1, 2021, 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 November 1, 2021.

5. Amendment to Loan Documents.

A. Section 3.4.2(l) of the Loan Agreement is hereby deleted in its entirety and replaced with the following:

"(l) Riverside County shall have accepted the portion of the Property being subleased pursuant to the Sublease, and within ninety (90) days after the Project is completed (and in any event prior to the Conversion Date), Riverside County shall have

paid to Borrower, as prepaid rent under the Sublease, not less than Three Million Two Hundred Thousand Dollars (\$3,200,000.00), which amount shall have been deposited directly into an account of Borrower maintained with Lender, and out of such amount, Borrower shall have (i) deposited such amount (the "Payment Reserve") as shall be required by Lender, and in any event not less than Four Hundred Thousand Dollars (\$400,000.00), into an account of Borrower maintained with Lender ("Payment Reserve Account"), which Payment Reserve Account shall be pledged to Lender pursuant to an Assignment of Deposit Account, (ii) paid to Lender, to be applied against the outstanding principal balance of the Loan, not less than One Million Dollars (\$1,000,000.00) or such greater amount as may be required to reduce the outstanding principal balance of the Loan to not more than Three Million Nine Hundred Forty Six Thousand Seven Hundred Forty Five and 00/100 Dollars (\$3,946,745.00)."

B. The second sentence of Section 3.16 of the Loan Agreement is hereby deleted in its entirety.

C. Section 4.25 of the Loan Agreement is hereby deleted in its entirety and replaced with the following:

"4.25 MAINTAIN MINIMUM DEBT SERVICE COVERAGE RATIO – Commencing on January 1, 2017 and at all times thereafter during the term of the Loan, Borrower shall maintain a Debt Service Coverage Ratio of not less than 1.30 to 1.00, which shall be measured annually as of the end of each calendar year for the immediately preceding twelve (12) consecutive calendar month period of time. In connection therewith, Borrower shall deliver to Lender a profit and loss statement for Borrower and such Financial Statements and other documentation and evidence as shall be satisfactory to Lender, in Lender's sole and absolute opinion and judgment, evidencing Borrower's compliance with the minimum Debt Service Coverage Ratio requirement set forth in this Section 4.25. If at any time the Debt Service Coverage Ratio is not less than 1.30 to 1.00 (as evidenced by the then most recent financial statements delivered by Borrower to Lender) and provided that no Event of Default (or event which, with the giving of notice, the passage of time or both, would constitute an Event of Default) has occurred and is then continuing, upon Borrower's request Lender shall release the amount in the Payment Reserve to Borrower."

D. Section 4.11.4 of the Loan Agreement is hereby deleted in its entirety and replaced with the following:

"4.11.4 As soon as available, and in any event no later than ninety (90) days following the end of each Fiscal Year of Borrower during which the Loan has not been fully repaid and performed, and discharged, Borrower shall provide to Lender complete and accurate Financial Statements representing the financial condition of Borrower as of the date such Financial Statements are prepared and delivered to Lender, including balance sheets, income statements, sources and uses of funds, detailed schedule of real estate of Borrower, and such other supplemental reports and schedules as Lender shall require, in its sole and absolute discretion. All such Financial Statements may be prepared by Borrower and shall contain a certification signed by any individual providing

a Financial Statement or by one or more authorized representatives of any corporation, partnership, limited liability company or other entity providing a Financial Statement, certifying to the completeness and accuracy of all information, without exception. All such Financial Statements shall be prepared and presented in accordance with GAAP, consistently applied, or in such other form and content as Lender may permit, in its sole and absolute opinion and judgment. Additionally, Borrower shall furnish to Lender complete and accurate copies of all signed income tax returns of Borrower (prepared by an independent certified public accountant acceptable to Lender), including all schedules and exhibits thereto, within sixty (60) calendar days after they are filed with the relevant taxing authorities;"

E. Section 4.11.5 of the Loan Agreement is hereby deleted in its entirety and replaced with the following:

"4.11.5 As soon as available, and in any event no later than ninety (90) days following the end of each calendar year during which the Loan has not been fully repaid and performed, and discharged, Borrower shall provide to Lender or cause to be provided to Lender complete and accurate annual Financial Statements representing the financial condition of each Guarantor as of the date such Financial Statements are prepared and delivered to Lender, including such supplemental reports and schedules as Lender shall require in its sole and absolute discretion. All such Financial Statements may be self-prepared. All Financial Statements shall contain a certification signed by any individual providing a Financial Statement or by one or more authorized representatives of any corporation, partnership, limited liability company or other entity providing a Financial Statement, certifying to the completeness and accuracy of all information, without exception. All such Financial Statements shall be prepared and presented in accordance with GAAP, consistently applied, or in such other form and content as Lender may permit, in its sole and absolute opinion and judgment. Additionally, Borrower shall cause each Guarantor to furnish to Lender complete and accurate copies of all signed income tax returns of such Guarantor (prepared by an independent certified public accountant acceptable to Lender), including all schedules and exhibits thereto, within sixty (60) calendar days after they are filed with the relevant taxing authorities;"

F. Section 4.11.9 of the Loan Agreement is hereby deleted in its entirety and replaced with the following:

"4.11.9 Within sixty (60) days following the end of June 30 and December 31 of each calendar year during the term of this Agreement, Borrower shall furnish to Lender a detailed rent roll and operating statement presenting the financial conditions and results of operations of the Property for the period covered thereby, as well as copies of any new leases entered into during such period."

6. Undisbursed Project Funds. As of November 1, 2016, the total Undisbursed Project Funds that are available to Borrower are \$350,725.72. Upon the effectiveness of this Agreement, Lender shall disburse the Undisbursed Project Funds into a deposit account held with Lender and assigned to Lender pursuant to an Assignment of Deposit Account ("Construction Funds Account"). The Undisbursed

Project Funds shall be utilized solely by Borrower as reimbursements for tenant improvements paid for by Borrower on the Property and shall only be disbursed by Lender from the Construction Funds Account upon the satisfaction of each of the following conditions precedent:

(a) No Event of Default hereunder or default under any of the Loan Documents (or event which, with the giving of notice or passage of time, or both, would become an Event of Default or default under any of the Loan Documents) shall have occurred and Borrower shall provide Lender with a sworn certificate certifying the same;

(b) Borrower shall have submitted to Lender copies of all permits and other approvals required for the construction and/or renovation of the tenant improvements;

(c) Borrower shall have furnished a budget to Lender for the construction and/or renovation of the contemplated tenant improvements ("TI Approved Budget"), which TI Approved Budget shall be acceptable to Lender in its sole opinion and judgment;

(d) A disbursement of all expenses to be incurred in accordance with the TI Approved Budget shall be made by Lender following the submittal by Borrower to Lender of an Application for Payment, which shall be accompanied by (i) all applicable invoices, billings, receipts, cancelled checks and/or purchase orders for the tenant improvements that are the subject of the Application for Payment, and (ii) such evidence as Lender may require that all funds disbursed pursuant to any and all previous Applications for Payment have been utilized to pay the labor, services and/or materials described therein, and that such labor, services and/or materials have been paid in full; and

(e) If requested by Lender, within thirty (30) days of disbursement by Lender pursuant to any Application for Payment, Borrower shall submit to Lender true and correct copies of all final lien releases from each workman who has supplied the labor and/or materials encompassed in the Application for Payment submitted hereunder.

7. This Agreement One of the Loan Documents.

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

8. Effective Date of Agreement.

This Agreement and the Agreements provided for herein shall be effective as of November 1, 2016, subject to the timely and complete satisfaction of each and all of the conditions precedent set forth in Section 10 of this Agreement.

9. 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 Agreement. The execution and delivery of this Agreement 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 Agreement 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 Agreement 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 Agreement, 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 Agreement.

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.

10. Conditions Precedent to Effectiveness of Agreement.

The effectiveness of this Agreement is expressly conditioned upon the following having occurred or Lender having received as of November 1, 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 Agreement, fully executed by Borrower and Guarantor, and consented to by the County of Riverside;

B. Borrower shall have dedicated the Property to Riverside County and accepted the Property under the Ground Lease in accordance with Section 3.15 of the Loan Agreement;

C. Lender shall have received a fully executed copy of that certain document entitled Vail Ranch Historic Site Lease Agreement entered into on or about November 1, 2016, which is intended to replace and supersede the Ground Lease in its entirety;

D. Borrower shall have executed and delivered to Lender the Leasehold Deed of Trust, granting Lender a first priority security interest on the leasehold interest of Borrower in the Property, subject to the Ground Lease;

E. At Borrower's sole expense, Lender shall have received a new Title Policy insuring the Leasehold Deed of Trust as a first priority lien in Borrower's leasehold interest in the Property under the Ground Lease subject to only such other encumbrances as Lender may approve in its sole discretion, in form and substance satisfactory to Lender;

F. Riverside County shall have paid to Borrower, as prepaid rent under the Sublease, not less than Three Million Two Hundred Thousand Dollars (\$3,200,000.00), which amount shall have been deposited directly into an account of Borrower maintained with Lender, and out of such amount, Borrower shall have (i) deposited such amount as shall be required into the Payment Reserve such that the minimum balance in the Payment Reserve is not less than Four Hundred Thousand Dollars (\$400,000.00), (ii) paid to Lender, to be applied against the outstanding principal balance of the Loan, not less than One Million Dollars (\$1,000,000.00).

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 Agreement and/or any of the matters which are the subject of this Agreement; and

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

11. 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 Agreement, 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 Agreement, 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 Agreement, 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 Agreement, 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.

12. Miscellaneous.

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

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

C. This Agreement 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 draftsmanship hereof.

D. This Agreement is not a novation, nor, except as expressly provided in this Agreement, 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 Agreement 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 Agreement, 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 Agreement are to control.

[Signature page to follow.]

IN WITNESS WHEREOF, Borrower, Guarantor and Lender have executed and delivered this Agreement 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*  
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: \_\_\_\_\_

IN WITNESS WHEREOF, Borrower, Guarantor and Lender have executed and delivered this Agreement 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:**

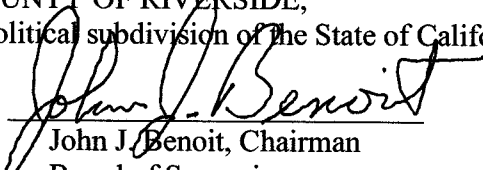
PREFERRED BANK,  
a California banking corporation

By: Carol Lee  
Name: Carol Lee  
Title: FIRST VICE PRESIDENT

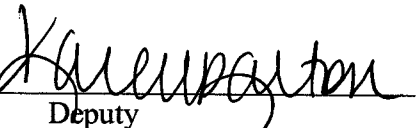
**CONSENT**

Pursuant to Section 30 of the Offer to Dedicate and Lease Agreement dated March 13, 2003, together with any and all Agreements 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 Third Extension Agreement and Amendment to Loan Documents dated as of November 1, 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 Agreements 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

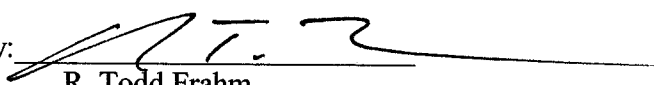
By:   
R. Todd Frahm  
Deputy County Counsel

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