

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



ITEM: 13.2

(ID # 17536)

MEETING DATE:

Tuesday, December 14, 2021

FROM : Regional Parks and Open Space District:


SUBJECT: REGIONAL PARK AND OPEN-SPACE DISTRICT: Approval of Ground Lessor Consent to Assumption of Ground Lease between the HJ/CG Partners, LLC and BRE Iconic LQR Owner LLC (Lake Cahuilla Veterans Regional Park); CEQA Exempt; District 4. [\$0] (Clerk to File Notice of Exemption)

RECOMMENDED MOTION: That the Board of Directors:

1. Find that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301 – Class 1: Existing Facilities and 15061(b)(3) - Common Sense Exemption;
2. Approve the Ground Lessor Consent to Assignment and Assumption of Ground Lease between HJ/CG Partners LLC and BRE Iconic LQR Owner LLC concerning the Lake Cahuilla Veterans Regional Park Ground Lease and authorize the General Manager of the Regional Park and Open-Space District (RivCoParks) to execute the same on behalf of RivCoParks;

Continued on page 2

ACTION:Policy


Kyla R. Brown, General Manager 12/1/2021

MINUTES OF THE BOARD OF DIRECTORS

On motion of Director Washington, seconded by Director Spiegel and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: December 14, 2021
xc: Parks, Recorder

Kecia R. Harper
Clerk of the Board

By 
Deputy

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

RECOMMENDED MOTION: That the Board of Directors:

3. Authorize the General Manager of the District, or designee, to consent to future assignments of the Ground Lease on behalf of RivCoParks, in substantially the same form as the Consent to Assignment and Assumption form attached hereto as approved by County Counsel;
4. Direct the Clerk of the Board to return three (3) executed copies of the Ground Lease Estoppel and the Ground Lessor Consent to Assumption to RivCoParks for transmittal and filing; and
5. Direct the Clerk of the Board to file the Notice of Exemption within 5 days of Board approval.

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: None			Budget Adjustment: No	
			For Fiscal Year: 21/22	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The County of Riverside (County) entered into a lease agreement with Landmark Land Company of California (Landmark) on June 23, 1987 (Ground Lease) concerning a portion of real property located within the Lake Cahuilla Veterans Regional Park (Lake Cahuilla Park), La Quinta, County of Riverside, California. This real property is on the northwestern perimeter of Lake Cahuilla Park which is inaccessible from the south, and geographically separate from the park due to topography. At the time of acquisition, the parcel was not scheduled for any future park development and was located immediately adjacent to property that was to be developed for a golf resort, PGA West. Under the Ground Lease, the County received a one-time payment of \$50,000 in 1987 (upon execution of the original lease-Exhibit A), which was deposited in Trust account 723-701-3211, Park Acquisition and Development Fund.

The County conveyed the fee simple interest in real property (formerly with Assessor's Parcel Number 761-050-001, now with APN 760-010-007), an approximately 1.19 acre portion of which is subject to the Ground Lease, to the Riverside County Regional Park & Open-Space District (District). Since that time, the ground lease has been reassigned several times based upon new ownership of the golf course.

BRE Iconic Owner LLC, the current lease holder, now desires to assign the Ground Lease to HJ/CG Partners LLC to that certain Assignment of Ground Lease dated January 29, 2020. The Ground Lease remains in effect and in full force until June 22, 2037.

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Delegated authority is requested to expedite future assignments of the Ground Lease. The property covered in the Ground Lease appears to be an investment property and changes ownership every few years, sometimes less. This will result in a cost-savings for the District due to the associated fees for Board of Directors approval.

Supplemental Fiscal Info

The District does not have rights to terminate or charge additional rent as the Ground Lease is currently written. Additional consideration will be negotiated when the lease is renewed in 2037.

Impact to Residents and Businesses


HJ/CG Partners, LLC will continue to provide recreational golfing opportunities for the community.

ATTACHMENTS:

Notice of Exemption
Consent to Assignment and Assumption
Assignment and Assumption of Ground Lease
Original Park Lease



Jason Farin, Principal Management Analyst 12/6/2021



Gregory H. Priamos, Director County Counsel 12/2/2021

**GROUND LESSOR CONSENT
TO
ASSIGNMENT AND ASSUMPTION**

Reference is made to that certain Ground Lease (Lake Cahuilla Park), dated as of June 23, 1987, by and between the undersigned ("**Ground Lessor**"), the successor-in-interest to the initial ground lessor, County of Riverside, and Landmark Land Company of California, a Delaware corporation ("**Initial Lessee**"), as assigned by CNL Desert Resorts, LP, as successor-in-interest to KSL Landmark Corporation, as successor-in-interest to Landmark, to MSR Resort Golf Course LLC, a Delaware limited liability company ("**MSR**"), pursuant to that certain Assignment and Assumption of a Ground Lease dated May 30, 2008, as further assigned by MSR to LQR Golf LLC, a Delaware limited liability company ("**LQR Golf**"), pursuant to that certain Assignment of Ground Lease dated as of February 28, 2013 as further assigned to BRE Iconic LQR Owner LLC, a Delaware limited liability company ("**Seller**") (collectively, the "**Ground Lease**").

Ground Lessor hereby consents to Seller's assignment of the Ground Lease to _____ ("**Purchaser**") and Purchaser's assumption of the Ground Lease made pursuant to that certain Assignment and Assumption of Ground Lease dated _____, 20____ by and between Seller and Purchaser in connection with the sale of the La Quinta Resort & Club and PGA West to Purchaser. The Ground Lessor's consent herein, including with respect to any future assignments thereunder, is not, and will not be deemed or construed to modify, waive or affect any of the provisions, covenants or conditions of the Ground Lease, waive any breach of the Ground Lease or any of the rights of Ground Lessor, or enlarge or increase Ground Lessor's obligations under the Ground Lease.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT,
a park and open-space district created pursuant to the California Public Resources Code,
Division 5, Chapter 3, Article 3.

By: _____
Name
General Manager

DATE: _____

ATTEST:

Kecia Harper
Clerk of the Board

APPROVED AS TO FORM:
Gregory P. Priamos
County Counsel

By: _____
Deputy

By: _____
Name: Wesley Stanfield
Dep. County Counsel

WHEN DOCUMENT IS FULLY EXECUTED RETURN
CLERK'S COPY
to Riverside County Clerk of the Board, Stop 1010
Post Office Box 1147, Riverside, Ca 92502-1147
Thank you.

Notice of Exemption

Appendix E

To: County Clerk
County of: Riverside
2724 Gateway Drive
Riverside, CA 92507

From: (Public Agency)
Riverside County Regional Park & Open-Space
District
4600 Crestmore Road, Jurupa Valley, CA 92509

Project Title: Ground Lessor Consent to Assumption of Ground Lease between the HJ/CG Partners, LLC and BRE Iconic LQR Owner LLC at Lake Cahuilla Veterans Regional Park

Project Applicant: Riverside County Regional Park & Open-Space District

Project Location-Specific: 58075 Jefferson St, La Quinta, CA 92253

Project Location-City: La Quinta

Project Location-County: Riverside

Description of Nature, Purpose and Beneficiaries of Project:

RivCoParks is the owner in fee of APN 760-010-007 and is consenting to the assignment of a ground lease between HJ/CG Partners and BRE Iconic for the PGA West Golf course. The original lease was signed in 1987 and expires in 2037. No actions are being approved beyond the daily operation of existing infrastructure. RivCoParks would be the lead agency on any future expansion efforts and make the subsequent CEQA determination.

Name of Public Agency Approving Project: Riverside County Regional Park & Open-Space District

Name of Public Agency Carrying Out Project: Riverside County Regional Park & Open-Space District

Exempt Status: (check one):

- Ministerial (Sec. 21080(b)(1); 15268);
 Declared Emergency (Sec. 21080(b)(3); 15269(a));
 Emergency Project 9Sec. 21080(b)(4); 15269 (b)(c));
 X Categorical Exemption. State type and section number: 15301-Existing Facilities
 Statutory Exemptions. State code number:

Original Negative Declaration/Notice of
 Determination was routed to County
 Clerks for posting on.
 12-16-21
 Initial

Reasons why project is exempt:

15301. Existing Facilities. The proposed action consists of the leasing, licensing, maintenance, and operating of existing equipment and facilities with negligible or no expansion of use beyond that existing at the time of the lead agency's determination.

Lead Agency Contact: Analicia Gomez

Phone Number: 951-955-6998

If Filed by Applicant:

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? ☐ Yes
☐ No

Signature: Analicia Gomez
☒ Signed by Lead Agency

Date: 1/30/2021 Title: Senior Park Planner
☐ Signed by Applicant

Authority cited: Sections 21083 and 21110, Public Resources Code.
 Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

Date Received for Filing at OPR:

DEC 14 2021 13.2

Recorded at Request of:

First American Title Insurance Company

When Recorded Mail to:

Addison Law Firm
5400 LBJ Freeway, Suite 1325
Dallas, Texas 75240
Attention: Dallas Addison

Mail Tax Statements to:

HJ/CG Partners, LLC
c/o Century Golf Partners
Three Lincoln Centre, Suite 1400
5430 LBJ Freeway
Dallas, Texas 75240
Attention: Jim Hinckley

****This document was electronically submitted
to the County of Riverside for recording**
Receipted by: TERESA #134**

ASSIGNMENT AND ASSUMPTION OF GROUND LEASE

This Assignment and Assumption of Ground Lease dated as of January 31, 2020 (this "Agreement") is entered into by and between BRE ICONIC LQR OWNER, LLC, a Delaware limited liability company ("Assignor") and HJ/CG PARTNERS, LLC, a Delaware limited liability company ("Assignee").

RECITALS

A. Landmark Land Company of California, a Delaware corporation ("Original Lessee") is lessee under that certain ground lease agreement titled Lease (Lake Cahuilla Park) the ("Ground Lease"), dated as of June 23, 1987, by and between Lessee and The County of Riverside (the "Lessor") and executed with respect to that certain real property located within Lake Cahuilla ark in La Quinta, California (the "Property") as more fully described in Exhibit A attached thereto.

B. MSR Resort Golf Course, LLC, a Delaware limited liability company ("MSR") is the successor to Original Lessee and assigned its interest in the Ground Lease to LQR Golf LLC, a Delaware limited liability company ("LQR") and LQR assigned its interest in the Ground Lease to Assignor.

C. Assignor desires to assign its interest as lessee in the Ground Lease to Assignee, and Assignee desires to accept the assignment thereof and assume the obligations of lessee arising from and after the Effective Date of this Agreement (defined below).

AGREEMENT

NOW, THEREFORE, in consideration of the promises and conditions contained herein, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Effective as of the Effective Date, Assignor hereby assigns to Assignee all of its right, title and interest in and to the Ground Lease, and Assignee hereby assumes all covenants, liabilities and obligations of lessee under the Ground Lease arising from and after the Effective Date.
2. Assignee hereby agrees to indemnify Assignor against and hold Assignor harmless from any and all cost, liability, loss, damage or expense, including, without limitation, attorneys' fees, arising out of or relating to events occurring on or after the Effective Date and arising, on or after the Effective Date, arising out of Lessee's obligations under the Ground Lease.
3. This Agreement shall be binding on and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors in interest and assigns.
4. This Agreement shall be governed by and construed in accordance with the laws of the State of California.
5. Assignor and Assignee acknowledge that the assignment of the Ground Lease requires the consent of Lessor, which Assignor and Assignee are seeking. Upon obtaining the consent of Lessor, this Agreement shall be effective as of the Effective Date. Assignor and Assignee shall continue use reasonable efforts to obtain the consent of Lessor. Until the consent by Lessor is obtained, Assignor agrees that Assignee may continue to use the land subject to the Ground Lease in connection with operation of the golf courses, and Assignee shall, during said time period of usage, be responsible for the performance of all obligations of Assignor under the Ground Lease from the Effective Date.
6. For purposes of this Agreement, the "Effective Date" shall mean January 31, 2020.
7. This Agreement may be executed in one or more counterparts and each such counterpart shall be deemed to be an original; all counterparts so executed shall constitute one instrument and shall be binding on all of the parties to this Agreement notwithstanding that all of the parties are not signatory to the same counterpart.

[Signatures on Following Page]

IN WITNESS WHEREOF, Assignor and Assignee have executed this Agreement the day and year first above written.

Assignor:

BRE ICONIC LQR OWNER LLC,
a Delaware limited liability company

By: BRE ICONIC HOLDINGS LLC,
a Delaware limited liability company,
its sole member

By: _____
Name: _____
Title: _____

WILLIAM STEIN
Vice President

STATE OF New York)
) ss:
COUNTY OF New York)

The foregoing instrument was acknowledged before me on January 29, 2020, by William Stein, as Vice President of BRE ICONIC HOLDINGS LLC, a Delaware limited liability company, on behalf of the company, who ☒ is personally known to me or ☐ produced _____ for identification.

[NOTARIAL SEAL]

Notary: Caroline B. Rosen
Print Name: Caroline Rosen
Notary Public, State of New York
My commission expires: 08/20/22

CAROLINE B ROSEN
Notary Public State of New York
No. 01RO6379675
Qualified in New York County
My Commission Expires August 20, 2022

Assignee:

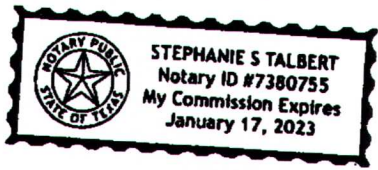
HJ/CG PARTNERS, LLC,
a Delaware limited liability company

By: *Douglas Howe*
Name: Douglas Howe
Title: VICE PRESIDENT

STATE OF Texas)
) ss:
COUNTY OF Dallas)

The foregoing instrument was acknowledged before me on Jan. 29, 2020 by Douglas Howe, as Vice President of HJ/CG PARTNERS, LLC, a Delaware limited liability company, on behalf of the company, who ☒ is personally known to me or ☐ produced _____ for identification.

[NOTARIAL SEAL]



Notary: *Stephanie S. Talbert*
Print Name: _____
Notary Public, State of _____
My commission expires: _____

EXHIBIT A**Parcel 73:**

That portion of the Northeast 1/4 of Section 20, Township 6 South, Range 7 East, San Bernardino Base and Meridian, as shown on Record of Survey on file in Book 70, Pages 96 through 98. inclusive, Record of Surveys. Records of Riverside County, California, more particularly described as follows:

Commencing at the Northeast corner of said Section 20; thence South $89^{\circ} 31' 50''$ West a distance of 2,071.39 feet to a point on the Westerly right of way line of the All American Canal as shown on said Record of Survey, said point also being the true point of beginning; thence southeasterly on a non-tangent curve concave Northeasterly having a radius of 652.96 feet through an angle of $34^{\circ} 09' 00''$, an arc length of 389.18 feet, (the initial radial line bears North $82^{\circ} 29' 43''$ West); thence South $26^{\circ} 38' 43''$ East a distance of 106.45 feet to the beginning of a tangent curve concave Southwesterly having a radius of 636.20 feet through an angle of $17^{\circ} 36' 33''$, an arc length of 195.53 feet; thence South $09^{\circ} 02' 10''$ East a distance of 105.05 feet. The preceding 4 courses being the Westerly right of way line of the All American Canal as shown on said Record of Survey; thence South $89^{\circ} 31' 50''$ West a distance of 13.87 feet; thence North $17^{\circ} 41' 50''$ West a distance of 195.00 feet; thence North $01^{\circ} 47' 55''$ West a distance of 60.00 feet; thence North $41^{\circ} 11' 24''$ West a distance of 341.00 feet; thence North $03^{\circ} 55' 40''$ East a distance of 260.00 feet; thence North $89^{\circ} 31' 50''$ East a distance of 94.13 feet to the true point of beginning.

EXHIBIT A

CLERK'S COPY

335 4-23-87

7-20

Parks
J. Hendesson

LEASE
(Lake Cahuilla Park)

THE COUNTY OF RIVERSIDE, herein called County, leases to LANDMARK LAND COMPANY OF CALIFORNIA, a Delaware corporation, herein called Lessee, the property described below upon the following terms and conditions:

1. Description. The premises leased hereby consist of approximately 1.19 acres of unimproved real property located within County's Lake Cahuilla Park, La Quinta, California, as more particularly described on Exhibit "A", attached hereto and by this reference made a part hereof.

2. Use.

(a) The premises are leased hereby for the purpose of installing, maintaining and operating golf tees, golf greens and any other uses necessary to and consistent with the operation of a golf course proposed to be constructed on real property situated adjacent to the leased premises and owned by Lessee.

(b) The leased premises shall not be used for any other purpose without first obtaining the written consent of County.

3. Term.

(a) The term of this lease shall be for a period commencing June 23, 19 87, and terminating June 22, 2037, subject to the provisions contained in Paragraphs 14, 15 and 16 herein.

(b) Any holding over by Lessee after the expiration of this lease shall be on a day-to-day basis strictly, and continuing tenancy rights shall not accrue to Lessee.

(c) Upon termination of this lease, Lessee shall execute and deliver to County within thirty (30) days, after service of written demand therefor, a good and sufficient quitclaim deed to its leasehold interest hereunder. In the event Lessee fails or refuses to deliver to County such deed, a written notice by County reciting the failure or refusal of Lessee to execute and deliver such deed after ten (10) days from the date of recordation of such notice shall be conclusive evidence as against Lessee and any and all persons who may claim an interest in the leasehold hereunder.

4. Rent. Lessee shall pay to County the sum of \$50,000.00 as rent for the leased premises for the term hereof upon execution of this lease by the parties hereto.

5. On-Site Improvements by Lessee.

(a) Any alterations, improvements or installation of fixtures to be undertaken by Lessee shall have the prior written consent of County after Lessee has submitted proposed plans for such alterations, improvements or fixtures to County in writing.

(b) All alterations and improvements to be made, and fixtures installed, or caused to be made and installed, by Lessee shall become the property of County with the exception of trade fixtures as such term is used in Section 1019 of the Civil Code. At or prior to the expiration of this lease, Lessee may remove such trade fixtures; provided, however, that such removal does not cause injury or damage to the leased premises, or in the event it does, Lessee shall restore the premises to their original shape and condition as nearly as practicable. In the event such trade fixtures are not removed, County may, at its election, either: (1) remove and store such fixtures and restore the premises for the account of Lessee, and in such event, Lessee shall within thirty (30) days after billing and accounting therefor reimburse County for the costs so incurred, or (2) take and hold such fixtures as its sole property.

6. Ingress and Egress. Lessee shall be permitted ingress and egress to and from the leased premises over such routes as are designated by County's Parks Director.

7. Signs. Lessee shall not erect, maintain or display any signs or other forms of advertising upon the leased premises without first obtaining the written approval of County.

8. Maintenance. Lessee shall maintain the leased premises and the improvements to be constructed thereon in a neat, safe, orderly and attractive condition during the term of the lease, and Lessee shall provide for the sanitary handling and disposal of all refuse accumulated as a result of Lessee's use of the leased premises and the improvement thereon.

9. Utilities. Lessee shall provide, or cause to be provided, and pay for all utility services that it may require or desire in its use, maintenance and operation of the leased premises; provided, however, that the installation and location of any such utility service shall have the prior written approval of County's Parks Director.

10. Inspection of Premises. County, through its duly authorized agents, shall have, at any time during normal business hours, the right to enter the leased premises for the purpose of inspecting, monitoring and evaluating the obligations of Lessee hereunder and for the purpose of doing any and all things which it is obligated and has a right to do under this lease.

11. Quiet Enjoyment. Lessee shall have, hold and quietly enjoy the use of the leased premises so long as it shall

1 fully and faithfully perform the terms and conditions that it is
2 required to do under this lease.

3 12. Compliance with Government Regulations. Lessee
4 shall, at Lessee's sole cost and expense, comply with the
5 requirements of all local, state and federal statutes,
6 regulations, rules, ordinances and orders now in force or which
7 may be hereafter in force, pertaining to the leased premises.
8 The final judgment, decree or order of any Court of competent
9 jurisdiction, or the admission of Lessee in any action or
10 proceedings against Lessee, whether Lessee be a party thereto or
11 not, that Lessee has violated any such statutes, regulations,
12 rules, ordinances, or orders, in the use of the leased premises,
13 shall be conclusive of that fact as between County and Lessee.

14 13. Discrimination or Segregation.

15 (a) Lessee shall not discriminate in Lessee's
16 recruiting, hiring, promotion, demotion or termination practice
17 on the basis of race, religious creed, color, national origin,
18 ancestry, sex, age, physical handicap, medical condition or
19 marital status with respect to its use of the leased premises
20 hereunder, and Lessee shall comply with the provisions of the
21 California Fair Employment Practices Act (Labor Code Sections
22 1410 et seq.), the Federal Civil Rights Act of 1964 (P.L. 88-252),
23 and all amendments thereto, Executive Order No. 12246 (30 Federal
24 Register 12319), as amended, and all Administrative Rules and
25 Regulations issued pursuant to said Acts and Orders with respect
26 to its use of the leased premises.

27 (b) Lessee shall not discriminate against or cause
28 the segregation of any person or group of persons on account of
29 race, religious creed, color, national origin, ancestry, sex,
30 age, physical handicap, medical condition or marital status, in
31 the occupancy, use, tenure or enjoyment of the leased premises,
32 nor shall Lessee, or any person claiming under or through Lessee,
33 establish or permit any such practice or practices of
34 discrimination or segregation with reference to the selection,
35 location, number, use or occupancy of any persons within the
36 leased premises.

37 (c) Lessee assures that it will undertake an
38 affirmative action program as required by 49 CFR, Part 21, to
39 insure that no person shall on the grounds of race, creed, color,
40 national origin, or sex be excluded from participating in any
41 employment activities covered in 49 CFR, Part 21, with respect to
42 its use of the leased premises. Lessee further assures that no
43 person shall be excluded on these grounds from participating in
44 or receiving services or benefits of any program or activity
45 covered herein with respect to its use of the leased premises.
46 Lessee further assures that it will require that its
47 subcontractors and independent contractors provide assurance to
48 Lessee that they similarly will undertake affirmative action
49 programs and that they will require assurances from their
50 subcontractors and independent contractors, as required by 49

1 CFR, Part 21, to the same effect with respect to their use of the
2 leased premises.

3 14. Termination by County. County shall have the right
4 to terminate this lease forthwith:

5 (a) In the event a petition is filed for voluntary
6 or involuntary bankruptcy for the adjudication of Lessee as
7 debtors.

8 (b) In the event that Lessee makes a general
9 assignment, or Lessee's interest hereunder is assigned
10 involuntarily or by operation of law, for the benefit of
11 creditors.

12 (c) In the event of abandonment of the leased
13 premises by Lessee.

14 (d) In the event Lessee fails to perform, keep or
15 observe any of Lessee's duties or obligations hereunder;
16 provided, however, that Lessee shall have fifteen (15) days in
17 which to correct Lessee's breach or default after written notice
18 thereof has been served on Lessee by County.

19 15. Termination by Lessee. Lessee shall have the right
20 to terminate this lease in the event County fails to perform,
21 keep or observe any of its duties or obligations hereunder;
22 provided, however, that County shall have fifteen (15) days in
23 which to correct its breach or default after written notice
24 thereof has been served on it by Lessee; provided, further,
25 however, that in the event such breach or default is not
26 corrected, Lessee may elect to terminate this lease in its
27 entirety or as to any portion of the premises affected thereby,
28 and such election shall be given by an additional fifteen (15)
days written notice to County. In the event of such termination,
Lessee shall be entitled to a refund of the rent paid hereunder
on a prorated calendar year basis.

20 16. Eminent Domain. If any portion of the leased
21 premises shall be taken by eminent domain and a portion thereof
22 remains which is usable by Lessee for the purpose set forth in
23 Paragraph 2 herein, this lease shall, as to the part taken,
24 terminate as of the date title shall vest in the condemnor, or
25 the date prejudgment possession is obtained through a court of
26 competent jurisdiction, whichever is earlier, and the rent
27 payable hereunder shall abate pro rata as to the part taken;
28 provided, however, in such event County reserves the right to
terminate this lease as of the date when title to the part taken
vests in the condemnor or as of such date of prejudgment
possession. If all of the leased premises, or such part to be
taken so that the leased premises are rendered unusable for the
purposes set forth in Paragraph 2 herein, this lease shall
terminate. If a part or all of the leased premises be so taken,
the compensation awarded upon such taking shall be paid to the
parties hereto in accordance with the values attributable to
their respective interests in such eminent domain proceedings.

1 17. Continuation of Lease After Abandonment. Even
2 though Lessee has abandoned the leased premises, this lease shall
3 continue in effect for so long as County does not terminate
4 Lessee's right to possession, and County may enforce all of its
5 rights and remedies under this lease, including, but not limited
6 to, the right to recover rent as it becomes due hereunder.
7 For the purposes of this Paragraph 17, acts of maintenance or
8 preservation or efforts by County to relet the premises, or the
9 appointment of a receiver or initiative of County to protect its
10 interest under this lease do not constitute a termination of
11 Lessee's right to possession.

12 18. Insurance. Lessee shall during the term of this
13 lease:

14 (a) Procure and maintain Workers' Compensation
15 Insurance as prescribed by the laws of the State of California.

16 (b) Procure and maintain comprehensive general
17 liability insurance coverage that shall protect Lessee from
18 claims for damages for personal injury, including, but not
19 limited to, accidental and wrongful death, as well as from claims
20 for property damage, which may arise from Lessee's use of the
21 leased premises or the performance of its obligations hereunder,
22 whether such use or performance by Lessee, by any subcontractor,
23 or by anyone employed directly or indirectly by either of them.
24 Such insurance shall name County as an additional insured with
25 respect to this lease and the obligations of Lessee hereunder.
26 Such insurance shall provide for limits of not less than
27 \$1,000,000.00 per occurrence.

28 (c) Cause its insurance carriers to furnish County
by direct mail with Certificate(s) of Insurance showing that such
insurance is in full force and effect, and that County is named
as an additional insured with respect to this lease and the
obligations of Lessee hereunder. Further, said Certificate(s)
shall contain the covenant of the insurance carrier(s) that
sixty (60) days written notice shall be given to County prior to
modification, cancellation or reduction in coverage of such
insurance. In the event of any such modification, cancellation
or reduction in coverage and on the effective date thereof, this
lease shall terminate forthwith, unless County receives prior to
such effective date another certificate from an insurance carrier
of Lessee's choice that the insurance required herein is in full
force and effect. Lessee shall not take possession or otherwise
use the leased premises until County has been furnished
certificate(s) of insurance as otherwise required in this
Paragraph 18.

19. Hold Harmless.

(a) Lessee represents that it has inspected the
leased premises, accepts the condition thereof and fully assumes
any and all risks incidental to the use thereof. County shall

not be liable to Lessee, its agents, employees, subcontractors or independent contractors for any personal injury or property damage suffered by them which may result from hidden, latent or other dangerous conditions in, on, upon or within the leased premises; provided, however, that such dangerous conditions are not caused by the negligence of County, its officers, agents or employees.

(b) Lessee shall indemnify and hold County, its officers, agents, employees and independent contractors free and harmless from any liability whatsoever, based or asserted upon any act or omission of Lessee, its officers, agents, employees, subcontractors and independent contractors, for property damage, bodily injury, or death or any other element of damage of any kind or nature, relating to or in anywise connected with or arising from its use and responsibilities in connection therewith of the leased premises or the condition thereof, and Lessee shall defend, at its expense, including attorney fees, County, its officers, agents, employees and independent contractors in any legal action based upon such alleged acts or omissions.

(c) The specified insurance limits required in Paragraph 18 herein shall in no way limit or circumscribe Lessee's obligations to indemnify and hold County free and harmless herein.

20. Assignment. Lessee cannot assign, sublet, mortgage, hypothecate or otherwise transfer in any manner any of its rights, duties or obligations hereunder to any person or entity without the written consent of County being first obtained, which consent shall not be unreasonably withheld. In the event of any such transfer, as provided in this Paragraph 20, Lessee expressly understands and agrees that it shall remain liable with respect to any and all of the obligations and duties contained in this lease. Notwithstanding the above, Lessee, without being relieved of any of its obligations and duties contained herein may assign its rights hereunder to any entity which is wholly owned by Lessee, or which wholly owns Lessee, without the necessity of the above required consent; provided, however, that upon execution of such assignment, a conformed copy shall be provided forthwith to County.

21. Free from Liens. Lessee shall pay, when due, all sums of money that may become due for any labor, services, material, supplies, or equipment, alleged to have been furnished or to be furnished to Lessee, in, upon, or about the leased premises, and which may be secured by a mechanics', materialmen's or other lien against the leased premises or County's interest therein, and will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by such lien matures or becomes due; provided, however, that if Lessee desires to contest any such lien, it may do so, but notwithstanding any such contest, if such lien shall be reduced to final judgment, and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed, and said stay thereafter expires, then and in such event, Lessee shall forthwith pay and discharge said judgment.

22. Employees and Agents of Lessee. It is understood and agreed that all persons hired or engaged by Lessee shall be considered to be employees or agents of Lessee and not of County.

23. Binding on Successors. Lessee, its assigns and successors in interest, shall be bound by all the terms and conditions contained in this lease, and all of the parties hereto shall be jointly and severally liable hereunder.

24. Waiver of Performance. No waiver by County at any time of any of the terms and conditions of this lease shall be deemed or construed as a waiver at any time thereafter of the same or of any other terms of conditions contained herein or of the strict and timely performance of such terms and conditions.

25. Severability. The invalidity of any provision in this lease as determined by a court of competent jurisdiction shall in no way affect the validity of any other provision hereof.

26. Venue. Any action at law or in equity brought by either of the parties hereto for the purpose of enforcing a right or rights provided for by this lease shall be tried in a Court of competent jurisdiction in the County of Riverside, State of California, and the parties hereby waive all provisions of law providing for a change of venue in such proceedings to any other County.

27. Attorneys' Fees. In the event of any litigation or arbitration between Lessee and County to enforce any of the provisions of this lease or any right of either party hereto, the unsuccessful party to such litigation or arbitration agrees to pay to the successful party all costs and expenses, including reasonable attorneys' fees, incurred therein by the successful party, all of which shall be included in and as a part of the judgment rendered in such litigation or arbitration.

28. Notices. Any notices required or desired to be served by either party upon the other shall be addressed to the respective parties as set forth below:

COUNTY

Parks Department
P. O. Box 3507
Riverside, CA 92519

LESSEE

Steve Walser, Vice President
Landmark Land Company of
California, Inc., PGA West
55-940 PGA Boulevard
La Quinta, CA. 92253

or to such other addresses as from time to time shall be designated by the respective parties.

29. Agent for Service of Process. It is expressly understood and agreed that in the event Lessee is not a resident of the State of California or it is an association or partnership without a member or partner resident of the State of California, or it is a foreign corporation, then in any such event, Lessee

shall file with County's Parks Director, upon its execution hereof, a designation of a natural person residing in the State of California, giving his or her name, residence and business addresses, as its agent for the purpose of service of process in any court action as between it and County arising out of or based upon this lease, and the delivery to such agent of a copy of any process in any such action shall constitute valid service upon Lessee. It is further expressly understood and agreed that if for any reason service of such process upon such agent is not feasible, then in such event Lessee may be personally served with such process out of this County and that such service shall constitute valid service upon Lessee. It is further expressly understood and agreed that Lessee is amenable to the process so served, submits to the jurisdiction of the Court so obtained and waives any and all objections and protests thereto.

30. Permits, Licenses and Taxes. Lessee shall secure, at its expense, all necessary permits and licenses as it may be required to obtain, and Lessee shall pay for all fees and taxes levied or required by any authorized public entity. Lessee recognizes and understands that this lease may create a possessory interest subject to property taxation and that Lessee may be subject to the payment of property taxes levied on such interest.

31. Paragraph Headings. The paragraph headings herein are for the convenience of the parties only, and shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning or intent of the provisions or language of this lease.

32. County's Representative. County hereby appoints the Park's Director as its authorized representative to administer this lease.

33. Entire Lease. This lease is intended by the parties hereto as a final expression of their understanding with respect to the subject matter hereof and as a complete and exclusive statement of the terms and conditions thereof and supersedes any and all prior and contemporaneous leases, agreements and

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1 understandings, oral or written, in connection therewith. This
2 lease may be changed or modified only upon the written consent of
the parties hereto.

3 Dated: JUN 23 1987

4 ATTEST:

5 GERALD A. MALONEY
6 Clerk of the Board

7 By Margaret Rozano
Deputy

COUNTY OF RIVERSIDE

By Robert A. ...
Chairman, Board of Supervisors

8 (SEAL)

9 LANDMARK LAND COMPANY OF
10 CALIFORNIA, a Delaware corporation

11 By [Signature]
12 Title: Sr Vice Pres.

13 (Corporate Seal)

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26 '28/87
27 17LIT
28 rev.

ALD & GEERLINGS
COUNTY COUNSEL
SUITE 300
35 10TH STREET
RIVERSIDE, CALIFORNIA