

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



**ITEM: 3.18
(ID # 24891)**

MEETING DATE:
Tuesday, June 11, 2024

FROM : FACILITIES MANAGEMENT

SUBJECT: FACILITIES MANAGEMENT, REAL ESTATE (FM-RE) - Approval of Subordination, Non-Disturbance and Attornment Agreement with DBP 1-3, L.L.C., and County of Riverside, 77588 El Duna Ct., Suite H & I, Palm Desert, CEQA Exempt pursuant to State CEQA Guidelines Sections 15301 and 15061(b)(3); District 4. [\$0] (Clerk of the Board to file Notice of Exemption).

RECOMMENDED MOTION: That the Board of Supervisors:

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 Exemption, and Section 15061 (b)(3), "Common Sense" exemption;
2. Approve the attached Subordination, Non-Disturbance, and Attornment Agreement with Goldman Sachs Bank USA and authorize the Chair of the Board to execute the same on behalf of the County; and
3. Authorize the Director of Facilities Management, or designee, to execute any other documents and administer all actions necessary to complete this transaction; and
4. Direct the Clerk of the Board to file the Notice of Exemption with the County Clerk and State Clearinghouse within five (5) working days of approval by the Board.

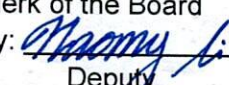
ACTION:Policy


Rose Salgado, Director of Facilities Management 6/29/2024

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington and Gutierrez
Nays: None
Absent: Perez
Date: June 11, 2024
xc: FM-RE, Recorder/State Clearinghouse

Kimberly A. Rector
Clerk of the Board
By: 
Deputy

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

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			Budget Adjustment:	No
			For Fiscal Year:	23/24

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary:

On July 16, 2013, the County of Riverside (County), entered into a lease agreement for 10,000 square feet of office space located at 77588 El Duna Ct., Palm Desert, (Lease), for use by the Transportation Land Management Agency (TLMA). The current Lessor, DBP 1-3, LLC has requested a loan to be secured by a deed of trust, pursuant to a Security Agreement, Assignment of Leases and Rents, and Fixture Filing. Goldman Sachs Bank USA (Lender) has requested execution of the attached Subordination, Non-Disturbance, and Attornment Agreement (SNDA) by the County.

By execution of this agreement, the County agrees to subordinate its leasehold estate to the liens in favor of the Lender which shall have no effect on prospective rights and obligations of the County, or the Lender as set forth in the Lease. In addition, in the event the Lender or its successor becomes the lessor, the County will recognize (attorn) the Lender or its successor as Lessor and the County's rights and obligations shall remain the same (not disturbed) as set forth in the Lease for the remainder of the Lease term.

The attached SNDA has been reviewed and approved by County Counsel as to the legal form.

Pursuant to the California Environmental Quality Act (CEQA), the SNDA was reviewed and determined to be categorically exempt from CEQA under State CEQA Guidelines Section 15301 Class 1 – Existing Facilities Exemption and Section 15601 (b)(3), "Common Sense" Exemption.

Impact on Residents and Businesses

This SNDA Agreement has no impact on citizens and businesses, and TLMA will continue to provide services to the community as intended.

Contract History and Price Reasonableness

The Lease was approved by the Board of Supervisors on July 13, 2013, and amended by

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STATE OF CALIFORNIA**

a First Amendment on April 30, 2024. The SNDA supports the Lease and does not require modification of the financial terms of the Agreement.

ATTACHMENTS:




- PD020 Aerial
- Subordination, Non-Disturbance, and Attornment Agreement
- Notice of Exemption

HR:sc/05132024/PD020/40.XXX

Veronica Santillan
Veronica Santillan, Principal Management Analyst 6/5/2024

Aaron Gettis
Aaron Gettis, Chief of Deputy County Counsel 6/3/2024

County of Riverside
Facilities Management
3450 14th St, Riverside, CA

FILED / POSTED		
County of Riverside		
Peter Aldana		
Assessor-County Clerk-Recorder		
E-20240638		
06/12/2024 08:00 AM Fee: \$ 50.00		
Page 1 of 2		
Removed:	By:	Deputy
		

NOTICE OF EXEMPTION

May 21, 2024

Project Name: Approval of Subordination, Non-Disturbance and Attornment (SNDA) Agreement with DBP 1-3, L.L.C., and the Riverside County Transportation Land Management Agency (TLMA), Palm Desert

Project Number: FM042550002000

Project Location: 77588 El Duna Court, Suite H & I, west of El Viento Road, Palm Desert, California 92211, Assessor's Parcel Number (APN) 626-420-051

Description of Project: On July 16, 2013, the County of Riverside (County), entered into a lease agreement for 10,000 square feet of office space located at 77588 El Duna Ct., Palm Desert, (Lease), for use by the Transportation Land Management Agency (TLMA). The current Lessor, DBP 1-3, LLC has requested a loan to be secured by a deed of trust, pursuant to a Security Agreement, Assignment of Leases and Rents, and Fixture Filing. Goldman Sachs Bank USA (Lender) has requested execution of the attached Subordination, Non-Disturbance, and Attornment Agreement (SNDA) by the County.

By execution of this agreement, the County agrees to subordinate its leasehold estate to the liens in favor of the Lender which shall have no effect on prospective rights and obligations of the County, or the Lender as set forth in the Lease. In addition, in the event the Lender or its successor becomes the lessor, the County will recognize (attorn) the Lender or its successor as Lessor and the County's rights and obligations shall remain the same (not disturbed) as set forth in the Lease for the remainder of the Lease term. The SNDA Agreement is defined as the proposed project under the California Environmental Quality Act (CEQA). The project is limited to revisions to contractual obligations of a Lease of an existing building and no expansion of the existing facility will occur. The operation of the facility will continue to provide public services. No additional direct or indirect physical environmental impacts are anticipated.

Name of Public Agency Approving Project: Riverside County

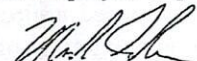
Name of Person or Agency Carrying Out Project: Riverside County Facilities Management

Exempt Status: State CEQA Guidelines Section 15301, Class 1, Existing Facilities Exemption; Section 15061(b) (3), "Common Sense" Exemption. Codified under California Code of Regulations Title 14, Article 5, Section 15061.

Reasons Why Project is Exempt: The proposed project is categorically exempt from the provisions of CEQA specifically by the State CEQA Guidelines as identified below. The project will not result in any specific or general exceptions to the use of the categorical exemption as detailed under State CEQA Guidelines Section 15300.2. The project will not cause an impact to an environmental resource of hazardous or critical concern nor would the project involve unusual circumstances that could potentially have a significant effect on the environment. The project would not result in impacts to scenic highways, hazardous waste sites, historic resources, or other sensitive natural environments, or have a cumulative effect to the environment. No significant environmental impacts are anticipated to occur with the SNDA Agreement, permitting use of an existing facility.

- **Section 15301 – Class 1 Existing Facilities Exemption:** This categorical exemption includes the operation, repair, maintenance, leasing, or minor alteration of existing public or private structures or facilities, provided the exemption only involves negligible or no expansion of the previous site's use. The project, as proposed, is limited to the revisions to contractual obligations of an existing lease for an existing building. The project would not increase or expand the use of the site; and the use is limited to the continued use of the site in a similar capacity; therefore, the project is exempt as the project meets the scope and intent of the Class 1 Exemption identified in Section 15301, Article 19, Categorical Exemptions of the CEQA Guidelines.
- **Section 15061 (b) (3) – “Common Sense” Exemption:** In accordance with CEQA, the use of the Common Sense Exemption is based on the “general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment.” State CEQA Guidelines, Section 15061(b) (3). The use of this exemption is appropriate if “it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.” *Ibid*. This determination is an issue of fact and if sufficient evidence exists in the record that the activity cannot have a significant effect on the environment, then the exemption applies and no further evaluation under CEQA is required. See *No Oil, Inc. v. City of Los Angeles* (1974) 13 Cal. 3d 68. The ruling in this case stated that if a project falls within a category exempt by administrative regulation or 'it can be seen with certainty that the activity in question will not have a significant effect on the environment', no further agency evaluation is required. With certainty, there is no possibility that the project may have a significant effect on the environment. The SNDA Agreement is an administrative action to revise the contractual obligations of the Lease. No change will occur to the ongoing use of the facility and no new environmental impacts to the surrounding area would occur. Therefore, in no way, would the project as proposed have the potential to cause a significant environmental impact and the project is exempt from further CEQA analysis.

Therefore, the County of Riverside Facilities Management hereby concludes that no physical environmental impacts are anticipated to occur and the project as proposed is exempt under CEQA. No further environmental analysis is warranted.

Signed:  Date: 5-21-2024
Mike Sullivan,
County of Riverside, Facilities Management

CLERK'S COPY

to Riverside County Clerk of the Board, Stop 1010

Post Office Box 1147, Riverside, Ca 92502-1147

Thank you.

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Allen Matkins Leck Gamble Mallory & Natsis LLP
865 South Figueroa Street, Suite 2800
Los Angeles, CA 90017-2543
Attention: Max E. Rawn

Space above for Recorder's Use

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

NOTICE: THIS SUBORDINATION RESULTS IN YOUR LEASEHOLD ESTATE BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY AGREEMENT.

This Subordination, Non-Disturbance and Attornment Agreement (this "Agreement") is entered into as of _____, 2024 (the "Effective Date"), between Goldman Sachs Bank USA, whose address is 200 West Street, New York, NY 10282 ("Lender"), and County of Riverside, a political subdivision of the State of California, whose address is 3450 14th Street, Suite 200, Riverside CA 92501, ("Tenant"), with reference to the following facts:

A. DBP 1-3 L.L.C., a Washington limited liability company (together with its successors and assigns, "Landlord"), whose address is 1302 Puyallup Street, Suite A, Sumner, WA 98390, owns the real property commonly known as Desert Business Park located at 77928 – 77962 Palapas Road, 77851 - 77885 Las Montanas Road, 77656 – 77680 Flora Road 77583 – 77588 El Duna Court, and 38698 El Viento Road, Palm Desert, California (such real property, including all buildings, improvements, structures and fixtures located thereon, collectively, "Landlord's Premises"), as more particularly described in Exhibit "A."

B. Lender has made or will make a loan to Landlord in the maximum principal amount of \$30,000,000 (the "Loan"), all as provided in and subject to the terms and conditions set forth in the Loan Documents (as hereinafter defined).

C. To secure the Loan, Landlord has encumbered Landlord's Premises by entering into that certain Deed of Trust, Assignment, Security Agreement and Fixture Filing, dated as of the date hereof, in favor of Stewart Title Guaranty Company, as Trustee for the benefit of Lender as Beneficiary (as amended, increased, renewed, extended, spread, consolidated, severed, restated, or otherwise changed from time to time, the "Deed of Trust") recorded in the Official Records of Riverside County, California (the "Official Records").

D. Pursuant to a Lease Agreement dated as of July 16, 2013 (as amended, the "Lease"), Landlord or its predecessor in interest leased to Tenant a portion of the Landlord's Premises ("Tenant's Premises"), as more particularly described in the Lease. Tenant's Premises are commonly described as 77588 El Duna Ct, Suites H and I, Palm Desert, CA.

E. Tenant and Lender desire to agree upon the relative priorities of their interests in Landlord's Premises and their rights and obligations if certain events occur.

4869-8944-4781

JUN 11 2024

3.18

NOW, THEREFORE, for good and sufficient consideration, Tenant and Lender agree:

1. Definitions.

The following terms shall have the following meanings for purposes of this Agreement.

1.1 Foreclosure Event. A "Foreclosure Event" means: (a) foreclosure under the Deed of Trust, whether by judicial action or pursuant to nonjudicial proceedings; (b) any other exercise by Lender of rights and remedies (whether under the Deed of Trust or under applicable law, including bankruptcy law) as holder of the Loan and/or as beneficiary under the Deed of Trust, as a result of which any Successor Landlord becomes owner of Landlord's Premises; or (c) delivery by Landlord to Lender (or its designee or nominee) of a deed or other conveyance of Landlord's interest in Landlord's Premises in lieu of any of the foregoing.

1.2 Former Landlord. A "Former Landlord" means the original Landlord named in the Lease and any other party that has become the landlord under the Lease at any time before the occurrence of any attornment under this Agreement.

1.3 Loan Documents. The "Loan Documents" mean the Deed of Trust and any other document now or hereafter evidencing, governing, securing or otherwise executed in connection with the Loan, including any promissory note and/or loan agreement, pertaining to the repayment or use of the Loan proceeds or to any of the real or personal property, or interests therein, securing the Loan, as such documents or any of them may have been or may be from time to time hereafter renewed, extended, supplemented, increased or modified. This Agreement is a Loan Document.

1.4 Offset Right. An "Offset Right" means any right or alleged right of Tenant to any offset, defense (other than one arising from actual payment and performance, which payment and performance would bind a Successor Landlord pursuant to this Agreement), claim, counterclaim, reduction, deduction, or abatement against Tenant's payment of Rent or performance of Tenant's other obligations under the Lease, arising (whether under the Lease or other applicable law) from Landlord's breach or default under the Lease.

1.5 Rent. The "Rent" means any fixed rent, base rent, additional rent or percentage rent at any time becoming due or owing by Tenant under the Lease.

1.6 Successor Landlord. A "Successor Landlord" means any party that becomes owner of Landlord's Premises as the result of a Foreclosure Event.

1.7 Tenant Concession. A "Tenant Concession" means any agreement or undertaking by any Former Landlord which is provided to Tenant or any affiliate of Tenant in connection with the execution by tenant of the Lease or the occupancy by Tenant of Tenant's Premises and which is not expressly set forth in the Lease, including free or reduced rent, early termination rights or options, assumption of any other lease obligations of Tenant or any affiliate of Tenant relating to property other than Landlord's Premises, payment of moving or relocation costs, construction or installation of improvements to or alterations of Tenant's Premises or Landlord's Premises or the premises of any affiliate of Tenant, or any other economic, financial or contractual benefit to Tenant or any affiliate of Tenant of any type or nature that is provided by Landlord as an inducement to Tenant to enter into the Lease or to commence Tenant's occupancy of Tenant's Premises.

1.8 Termination Right. A "Termination Right" means any right of Tenant to cancel or terminate the Lease or to claim a partial or total eviction arising (whether under the Lease or under applicable law) from Landlord's breach or default under the Lease.

2. Subordination.

The Lease shall be, and shall at all times remain, subject and subordinate to the Deed of Trust, the lien imposed by the Deed of Trust, and all advances made under the Loan Documents. Tenant hereby intentionally and unconditionally subordinates the Lease and all of Tenant's right, title and interest thereunder and in and to Landlord's Premises (including Tenant's right, title and interest in connection with any insurance proceeds or eminent domain awards or compensation relating to Landlord's Premises and Tenant's right to receive and retain any rentals or payments made under any sublease or concession agreement of or relating to any portion of Tenant's Premises), to the lien of the Deed of Trust and all of Lender's rights and remedies thereunder, and agrees that the Deed of Trust shall unconditionally be and shall at all times remain a lien on Landlord's Premises prior and superior to the Lease.

3. Nondisturbance, Recognition and Attornment.

3.1 No Exercise of Deed of Trust Remedies Against Tenant. So long as the Lease has not been terminated on account of Tenant's default that has continued beyond applicable cure periods (an "Event of Default"), Lender shall not name or join Tenant as a defendant in any judicial action or proceeding that is commenced pursuant to the exercise of Lender's rights and remedies arising upon a default by Landlord under the Deed of Trust unless (a) applicable law requires Tenant to be made a party thereto as a condition to proceeding against Landlord or in order to prosecute or otherwise fully enforce such rights and remedies; or (b) such joinder of Tenant is required for the recovery by Lender of any Rent at any time owing by Tenant under the Lease, whether pursuant to the assignment of rents set forth in the Deed of Trust or otherwise; or (c) such joinder is required in order to enforce any right of Lender to enter Landlord's Premises for the purpose of making any inspection or assessment, or in order to protect the value of Lender's security provided by the Deed of Trust. In any instance in which Lender is permitted to join Tenant as a defendant as provided above, Lender agrees not to terminate the Lease or otherwise adversely affect Tenant's rights under the Lease or this Agreement in or pursuant to such action or proceeding, unless an Event of Default by Tenant has occurred and is continuing. The foregoing provisions of this Section 3.1 shall not be construed in any manner that would prevent Lender from (i) carrying out any nonjudicial foreclosure proceeding under the Deed of Trust, (ii) exercising Lender's rights under the provisions of applicable law with respect to the enforcement against Tenant of any assignment of rents made by Landlord to Lender in connection with the Loan, or (iii) obtaining the appointment of a receiver for the Landlord's Premises as and when permitted under applicable law.

3.2 Nondisturbance and Attornment. Notwithstanding the provisions of Section 2 above, if the Lease has not been terminated on account of an Event of Default by Tenant, then, when Successor Landlord acquires title to Landlord's Premises: (a) Successor Landlord shall not terminate or disturb Tenant's possession of Tenant's Premises under the Lease, except in accordance with the terms of the Lease and this Agreement; (b) Successor Landlord shall be bound to Tenant under all the terms and conditions of the Lease (except as provided in this Agreement); (c) Tenant shall recognize and attorn to Successor Landlord as Tenant's direct landlord under the Lease as affected by this Agreement; and (d) the Lease shall continue in full force and effect as a direct lease, in accordance with its terms (except as provided in this Agreement), between Successor Landlord and Tenant.

3.3 Acknowledgment. Tenant acknowledges that Lender would not make the Loan without this Agreement and the subordination of the Lease to the lien of the Deed of Trust as set forth herein, and that in reliance upon, and in consideration of, this subordination, specific monetary and other obligations are being and will be entered into by Lender which would not be made or entered into but for reliance upon this Agreement and such subordination of the Lease. This Agreement is and shall be the sole and only agreement with regard to the subordination of the Lease to the lien of the Deed of Trust and shall supersede and cancel, but only insofar as would affect the priority between the Deed of Trust and the Lease, any prior agreement as to such subordination, including those provisions, if any, contained in the Lease which

provide for the subordination of the Lease to a present or future deed or deeds of trust or to a present or future mortgage or mortgages.

3.4 Use of Proceeds. Lender, in making any advances of the Loan pursuant to any of the Loan Documents, shall be under no obligation or duty to, nor has Lender represented to Tenant that it will, see to the application of such proceeds by the person or persons to whom Lender disburses such advances, and any application or use of such proceeds for purposes other than those provided for in any Loan Document shall not defeat Tenant's agreement to subordinate the Lease in whole or in part as set forth in this Agreement.

3.5 Turnover of Rent. Tenant shall pay to Lender all Rent otherwise payable to Landlord under the Lease upon written demand from Lender, and Tenant shall not have the right to contest or question the validity of any such written demand from Lender or the extent to which Lender may properly exercise its rights to collect rents from Landlord's Premises pursuant to the provisions of the Loan Documents. The consent and approval of Landlord to this Agreement shall constitute an express authorization for Tenant to make such payments to Lender and a release and discharge of all liability of Tenant to Landlord for any such payments made to Lender in compliance with Lender's written demand.

3.6 Additional Subordination; Bankruptcy Rights. Tenant shall not subordinate its rights under the Lease to any other mortgage, deed of trust, or other security instrument without the prior written consent of Lender, which consent may be given or withheld in Lender's sole and absolute discretion. In the event the Lease is rejected or deemed rejected in any bankruptcy proceeding with respect to Landlord, Tenant shall not exercise its option to treat the Lease as terminated under 11 U.S.C. § 365(h), as amended, or any successor or similar statute.

3.7 Further Documentation. The provisions of this Article 3 shall be effective and self-operative without any need for Successor Landlord or Tenant to execute any further documents. Tenant and Successor Landlord shall, however, reasonably confirm the provisions of this Article 3 in writing upon request by either of them.

4. Protection of Successor Landlord.

Notwithstanding anything to the contrary in the Lease or the Deed of Trust, Successor Landlord shall not be liable for or bound by any of the following matters:

4.1 Claims Against Former Landlord. Any Offset Right that Tenant may have against any Former Landlord accruing before the date of attornment, including any claim for damages of any kind whatsoever as the result of any breach by Former Landlord that occurred before the date of attornment. The foregoing shall not limit either (a) Tenant's right to exercise against Successor Landlord any Offset Right otherwise available to Tenant because of events occurring after the date of attornment, or (b) Successor Landlord's obligation to correct any conditions that existed as of the date of attornment and that violate Successor Landlord's obligations as landlord under the Lease. Notwithstanding the foregoing clause (b), Tenant shall not be entitled to exercise any Offset Rights against Successor Landlord with respect to any Known Pre-existing Conditions (as hereinafter defined) or to enforce Successor Landlord's obligations to correct such conditions, unless Tenant shall have given Lender written notice of such conditions and an opportunity to inspect all of Tenant's Premises prior to the applicable Foreclosure Event. As used herein "Known Pre-existing Conditions" means any conditions that existed on or affected Tenant's Premises and were actually known to Tenant prior to the date of the attornment, which conditions were required to be corrected by Former Landlord prior to the date of attornment pursuant to the Lease.

4.2 Prepayments. Any payment of Rent that Tenant may have made to Former Landlord more than thirty (30) days before the date such Rent was first due and payable under the Lease with respect to

any period after the date of attornment, other than, and only to the extent of, prepayments expressly required under the Lease.

4.3 Payments; Security Deposit. Any obligation (a) to pay Tenant any sum(s) that any Former Landlord owed to Tenant, or (b) with respect to any security deposited with Former Landlord, except to the extent that such security was actually delivered to Lender by Former Landlord and Lender has the legal right to use or apply such security for the purposes provided in the Lease.

4.4 Modification, Amendment, or Waiver. Any modification or amendment of the Lease, or any waiver of any terms of the Lease, made without Lender's written consent.

4.5 Surrender, Etc. Any consensual or negotiated surrender, cancellation, or termination of the Lease, in whole or in part, agreed upon between Landlord and Tenant, unless effected pursuant to the express terms of the Lease.

4.6 Construction. Any repairs to the Landlord's Premises or the Premises required as a result of fire or other casualty or by reason of condemnation.

5. Exculpation of Successor Landlord.

Notwithstanding anything to the contrary in this Agreement or the Lease, upon any attornment pursuant to this Agreement, (a) the Lease shall be deemed to have been automatically amended to provide that Successor Landlord's obligations and liability under the Lease shall never extend beyond Successor Landlord's (or its successors' or assigns') interest, if any, in Landlord's Premises from time to time, including insurance and condemnation proceeds; Successor Landlord's interest in the Lease, and the proceeds from any sale or other disposition of Landlord's Premises by Successor Landlord (provided that Tenant shall have no interest in or right to participate in (i) any payments made under any promissory note received by Successor Landlord in connection with any such sale or other disposition, or (ii) any collateral held by Successor Landlord to secure such payments) (collectively, "Successor Landlord's Interest"), and Tenant shall look exclusively to Successor Landlord's Interest (or that of its successors and assigns) for payment or discharge of any obligations of Successor Landlord under the Lease as affected by this Agreement, and (b) the obligations under the Lease of Lender or any affiliate of Lender which becomes a Successor Landlord shall terminate upon the transfer by such Successor Landlord of its interest in Landlord's Premises, and thereupon Tenant shall look solely to the transferee for the performance of all obligations of the landlord under the Lease which accrue or otherwise become performable following the date of such transfer. If Tenant obtains any money judgment against Successor Landlord with respect to the Lease or the relationship between Successor Landlord and Tenant, then Tenant shall look solely to Successor Landlord's Interest (or that of its successors and assigns) to collect such judgment. Tenant shall not collect or attempt to collect any such judgment out of any other assets of Successor Landlord. Nothing herein shall be construed to grant Tenant any right to seek any recovery from any Former Landlord or Successor Landlord to the extent that such recovery is not permitted under or is restricted by the provisions of the Lease.

6. Lender's Right to Cure.

6.1 Notice to Lender. Notwithstanding anything to the contrary in the Lease or this Agreement, before exercising any Termination Right or Offset Right, Tenant shall provide Lender with notice of the breach or default by Landlord giving rise to same (the "Default Notice") and, thereafter, the opportunity to cure such breach or default as provided for below.

6.2 Lender's Cure Period. After Lender receives a Default Notice, Lender shall have a period of thirty (30) days beyond the time available to Landlord under the Lease in which to cure the breach or default by Landlord. Lender shall have no obligation to cure (and shall have no liability or obligation for not curing) any breach or default by Landlord, except to the extent that Lender agrees or undertakes otherwise in writing.

6.3 Extended Cure Period. In addition, as to any breach or default by Landlord the cure of which requires possession and control of Landlord's Premises, provided only that Lender undertakes to notify Tenant by written notice to Tenant within thirty (30) days after receipt of the Default Notice to exercise reasonable efforts to cure or cause to be cured by a receiver such breach or default within the period permitted by this Section 6.3, Lender's cure period shall continue for such additional time (the "Extended Cure Period") as Lender may reasonably require to either (a) obtain possession and control of Landlord's Premises and thereafter cure the breach or default with reasonable diligence and continuity or (b) obtain the appointment of a receiver and give such a reasonable period of time in which to cure the default.

7. Miscellaneous.

7.1 Notices. All notices or other communications required or permitted under this Agreement shall be in writing and given by certified mail (return receipt requested) or by nationally recognized overnight courier service that regularly maintains records of items delivered. Each party's address is as set forth in the opening paragraph of this Agreement, subject to change by notice under this Section 8.1. Notices shall be effective the next business day after being sent by overnight courier service, and five business days after being sent by certified mail (return receipt requested). Notices may also be provided by facsimile or electronic mail with confirmation of receipt to the sending party by the recipient.

7.2 Successors and Assigns. This Agreement shall bind and benefit the parties, their successors and assigns, any Successor Landlord, and its successors and assigns. If Lender assigns the Deed of Trust, then upon delivery to Tenant of written notice thereof accompanied by the assignee's written assumption of all obligations under this Agreement, all liability of the assignor shall terminate.

7.3 Entire Agreement. This Agreement constitutes the entire agreement between Lender and Tenant regarding the subordination of the Lease to the Deed of Trust and the rights and obligations of Tenant and Lender as to the subject matter of this Agreement.

7.4 Interaction with Lease and with Deed of Trust; Severability. If this Agreement conflicts with the Lease, then this Agreement shall govern as between the parties and any Successor Landlord, including upon any attornment pursuant to this Agreement. This Agreement supersedes, and constitutes full compliance with, any provisions in the Lease that provide for subordination of the Lease to, or for delivery of nondisturbance agreements by the beneficiary of, the Deed of Trust. Lender confirms that Lender has consented to Landlord's entering into the Lease. If any provision of this Agreement is determined to be invalid, illegal or unenforceable, such provision shall be considered severed from the rest of this Agreement and the remaining provisions shall continue in full force and effect as if such provision had not been included.

7.5 Lender's Rights and Obligations. Except as expressly provided for in this Agreement, Lender shall have no obligations to Tenant with respect to the Lease. If an attornment occurs pursuant to this Agreement, then all rights and obligations of Lender under this Agreement shall terminate, without thereby affecting in any way the rights and obligations of Successor Landlord provided for in this Agreement.

7.6 Interpretation; Governing Law. The interpretation, validity and enforcement of this Agreement shall be governed by and construed under the internal laws of the State of California, excluding

its principles of conflict of laws. The words "include" and "including" shall be interpreted as if followed by the words "without limitation."

7.7 Amendments. This Agreement may be amended, discharged or terminated, or any of its provisions waived, only by written instrument executed by the party to be charged.

7.8 Execution. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

7.9 Costs and Attorneys' Fees. In the event of any claim or dispute arising out of or in connection with the interpretation or enforcement of this Agreement, the party that substantially prevails shall be awarded, in addition to all other relief, all attorneys' fees and other costs and expenses incurred in connection with such claim or dispute; including those reasonable fees, costs, and expenses incurred before or after suit, and in any arbitration, and any appeal, any proceedings under any present or future bankruptcy act or state receivership, and any post-judgment proceedings.

7.10 Lender's Representation. Lender represents that Lender has full authority to enter into this Agreement, and Lender's entry into this Agreement has been duly authorized by all necessary actions.

[Signature Page Follows]

IN WITNESS WHEREOF, this Agreement has been duly executed by Lender and Tenant as of the Effective Date.

LENDER:

GOLDMAN SACHS BANK USA

By: _____
Name: _____
Title: _____

ALL SIGNATURES MUST BE ACKNOWLEDGED


Signature Page to Subordination, Non-Disturbance and Attornment Agreement

TENANT:

COUNTY OF RIVERSIDE, a political subdivision of the

State of California

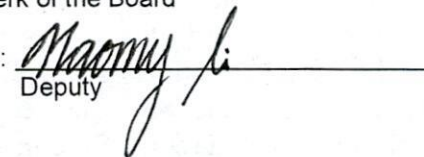
By:


Chuck Washington, Chair
Board of Supervisors

ATTEST:

Kimberly A. Rector
Clerk of the Board

By:


Deputy

APPROVED AS TO FORM:

Minh C. Tran
County Counsel

By:


Braden Holly
Deputy County Counsel

ALL SIGNATURES MUST BE ACKNOWLEDGED

Signature Page to Subordination, Non-Disturbance and Attornment Agreement

4869-8944-4781

JUN 11 2024

3.18

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

§

On June 11, 2024, before me, Naomy Sicra, a COB Assistant, personally appeared Chuck Washington, Chair of the Board of Supervisors, 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; 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

Kimberly A. Rector
Clerk of the Board of Supervisors

By:



Deputy Clerk

(SEAL)

LENDER'S ACKNOWLEDGMENT

STATE OF _____
COUNTY OF _____

On _____, 2024, before me, _____, personally appeared _____ the _____ of Lender and _____ [Witness] 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 acted, executed the instrument. I certify under PENALTY OF PERJURY under the laws of the State of Washington that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

TENANT'S ACKNOWLEDGMENT

STATE OF _____
COUNTY OF _____

On _____, 2024, before me, _____, personally appeared _____, the _____ of Tenant, and _____ [Witness] 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 acted, executed the instrument. I certify under PENALTY OF PERJURY under the laws of the State of Washington that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

LANDLORD'S CONSENT

Landlord is not a party to the foregoing Agreement, but Landlord, for itself and its successor and assigns, consents and agrees to all of the provisions of the Agreement, including without limitation the provisions of Section 3.5 thereof, and Landlord shall not take or assert as against Lender or Tenant any position that would be inconsistent with the provisions of the Agreement or that would cause the Tenant to be in breach of the Agreement. The Agreement was entered into at Landlord's request. The Agreement shall not alter, waive or diminish any of Landlord's obligations under the Deed of Trust or the Lease. The Agreement discharges any obligations of Lender under the Deed of Trust and related Loan Documents to enter into a nondisturbance agreement with Tenant.

Dated: _____, 2024

LANDLORD:

DBP 1-3 L.L.C.,
a Washington limited liability company

By: Tarragon SW, a Washington corporation
Its: Manager

By: _____
Name: _____
Its: _____

ALL SIGNATURES MUST BE ACKNOWLEDGED

ACKNOWLEDGMENT

STATE OF _____)
) ss.
COUNTY OF _____)

This document was acknowledged before me on _____, 2024 by _____ as _____ of Tarragon SW, a Washington corporation, as Manager of DBP 1-3 L.L.C., a Washington limited liability company.

Signature of Notary
Notary Public- State of _____
My commission expires: _____

Exhibit "A"

Description of Landlord's Premises

The land referred to herein is situated in the State of California, County of Riverside Unincorporated Area and described as follows:

Parcel A1:

Parcels 16, 17, 18 and 19 of Parcel Map 29715-1, in the County of Riverside, State of California, as per Map recorded in Book 202, Pages 35 through 39 inclusive of Parcel Maps, in the Official Records of the County Recorder of Riverside County.

Informational Purposes, Only: APNs: 626-420-016, 626-420-017, 626-420-018 and 626-420-019

Parcel A2:

The non-exclusive easements and rights for ingress, egress and recreational rights in and to the common areas, and those certain reciprocal driveway and access road easements, established pursuant to the declaration of covenants, conditions and restrictions and reservation of easements for Desert Business and Design Center, recorded July 10, 2002, as Instrument No. 2002-378079, in the Official Records of the County Recorder of Riverside County.

Parcel B1:

Parcels 1 and 2 of Parcel Map No. 29715, in the County of Riverside, State of California, as shown by Map on file in Book 208, Pages 96 through 99, inclusive, of Parcel Maps, in the Official Records of the County Recorder of Riverside County.

Informational Purposes, Only: APNs: 626-420-049 and 626-420-050

Parcel B2:

Easements for ingress and egress, pedestrian walkway and incidental rights as set forth in that certain amended and restated declaration of covenants, conditions and restrictions and reservations of easements for desert business and design center, upon the terms and provisions as set forth in said document recorded May 12, 2006 as Instrument No. 2006-0347510, in the Official Records of the County Recorder of Riverside County.

Parcel C1:

Parcels 3 and 8 of Parcel Map No. 29715, as shown by Map on file in Book 208, Pages 96 to 99 of Parcel Maps, in the Official Records of the County Recorder of Riverside County.

Informational Purposes, Only: APN: 626-420-051 and 626-420-056

Parcel C2:

Easements for ingress and egress, pedestrian walkway and incidental rights as set forth in that certain amended and restated declaration of covenants, conditions and restrictions and reservations of easements for desert business and design center, upon the terms and provisions as set forth in said

document recorded May 12, 2006 as Instrument No. 2006-0347510, in the Official Records of the County Recorder of Riverside County.

Parcel D1:

Parcels 5 and 6 of Parcel Map No. 32544, as shown by Map on file in Book 221 Pages 65 to 68 of Parcel Maps, in the Official Records of the County Recorder of Riverside County.

Informational Purposes, Only: APN: 626-420-082 and 626-420-083

Parcel D2:

Easements for ingress and egress, pedestrian walkway and incidental rights as set forth in that certain amended and restated declaration of covenants, conditions and restrictions and reservations of easements for desert business and design center, upon the terms and provisions as set forth in said document recorded May 12, 2006 as Instrument No. 2006-0347510, in the Official Records of the County Recorder of Riverside County.

Parcel E:

Non-exclusive reciprocal easements for the purpose of ingress and egress, for the benefit of Parcel D1 described above, being particularly described in the grant of reciprocal easement recorded October 14, 2005 as Instrument No. 2005-0848891, in the Official Records of the County Recorder of Riverside County.

MH:ps/05102024/PD020/40.068

Certified to be a true and exact copy of original

DOC # 2024-0191648

06/28/2024 03:57 PM Fees: \$227.00

Page 1 of 16

Recorded in Official Records

County of Riverside

Peter Aldana

Assessor-County Clerk-Recorder

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

Allen Matkins Leck Gamble Mallory & Natsis LLP
865 South Figueroa Street, Suite 2800
Los Angeles, CA 90017-2543
Attention: Max E. Rawn

This document was electronically submitted to the County of Riverside for recording
Received by: MARIA VICTORIA #411

Space above for Recorder's Use

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

NOTICE: THIS SUBORDINATION RESULTS IN YOUR LEASEHOLD ESTATE BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY AGREEMENT.

This Subordination, Non-Disturbance and Attornment Agreement (this "Agreement") is entered into as of MAY 16, 2024 (the "Effective Date"), between Goldman Sachs Bank USA, whose address is 200 West Street, New York, NY 10282 ("Lender"), and County of Riverside, a political subdivision of the State of California, whose address is 3450 14th Street, Suite 200, Riverside CA 92501, ("Tenant"), with reference to the following facts:

A. DBP 1-3 L.L.C., a Washington limited liability company (together with its successors and assigns, "Landlord"), whose address is 1302 Puyallup Street, Suite A, Sumner, WA 98390, owns the real property commonly known as Desert Business Park located at 77928 – 77962 Palapas Road, 77851 – 77885 Las Montanas Road, 77656 – 77680 Flora Road 77583 – 77588 El Duna Court, and 38698 El Viento Road, Palm Desert, California (such real property, including all buildings, improvements, structures and fixtures located thereon, collectively, "Landlord's Premises"), as more particularly described in Exhibit "A."

B. Lender has made or will make a loan to Landlord in the maximum principal amount of \$30,000,000 (the "Loan"), all as provided in and subject to the terms and conditions set forth in the Loan Documents (as hereinafter defined). **DT Recording No. 2024-0144106**

C. To secure the Loan, Landlord has encumbered Landlord's Premises by entering into that certain Deed of Trust, Assignment, Security Agreement and Fixture Filing, dated as of the date hereof, in favor of Stewart Title Guaranty Company, as Trustee for the benefit of Lender as Beneficiary (as amended, increased, renewed, extended, spread, consolidated, severed, restated, or otherwise changed from time to time, the "Deed of Trust") recorded in the Official Records of Riverside County, California (the "Official Records").

D. Pursuant to a Lease Agreement dated as of July 16, 2013 (as amended, the "Lease"), Landlord or its predecessor in interest leased to Tenant a portion of the Landlord's Premises ("Tenant's Premises"), as more particularly described in the Lease. Tenant's Premises are commonly described as 77588 El Duna Ct, Suites H and I, Palm Desert, CA.

E. Tenant and Lender desire to agree upon the relative priorities of their interests in Landlord's Premises and their rights and obligations if certain events occur.

4869-8944-4781

JUN 11 2024 3.18

NOW, THEREFORE, for good and sufficient consideration, Tenant and Lender agree:

1. Definitions.

The following terms shall have the following meanings for purposes of this Agreement.

1.1 Foreclosure Event. A "Foreclosure Event" means: (a) foreclosure under the Deed of Trust, whether by judicial action or pursuant to nonjudicial proceedings; (b) any other exercise by Lender of rights and remedies (whether under the Deed of Trust or under applicable law, including bankruptcy law) as holder of the Loan and/or as beneficiary under the Deed of Trust, as a result of which any Successor Landlord becomes owner of Landlord's Premises; or (c) delivery by Landlord to Lender (or its designee or nominee) of a deed or other conveyance of Landlord's interest in Landlord's Premises in lieu of any of the foregoing.

1.2 Former Landlord. A "Former Landlord" means the original Landlord named in the Lease and any other party that has become the landlord under the Lease at any time before the occurrence of any attornment under this Agreement.

1.3 Loan Documents. The "Loan Documents" mean the Deed of Trust and any other document now or hereafter evidencing, governing, securing or otherwise executed in connection with the Loan, including any promissory note and/or loan agreement, pertaining to the repayment or use of the Loan proceeds or to any of the real or personal property, or interests therein, securing the Loan, as such documents or any of them may have been or may be from time to time hereafter renewed, extended, supplemented, increased or modified. This Agreement is a Loan Document.

1.4 Offset Right. An "Offset Right" means any right or alleged right of Tenant to any offset, defense (other than one arising from actual payment and performance, which payment and performance would bind a Successor Landlord pursuant to this Agreement), claim, counterclaim, reduction, deduction, or abatement against Tenant's payment of Rent or performance of Tenant's other obligations under the Lease, arising (whether under the Lease or other applicable law) from Landlord's breach or default under the Lease.

1.5 Rent. The "Rent" means any fixed rent, base rent, additional rent or percentage rent at any time becoming due or owing by Tenant under the Lease.

1.6 Successor Landlord. A "Successor Landlord" means any party that becomes owner of Landlord's Premises as the result of a Foreclosure Event.

1.7 Tenant Concession. A "Tenant Concession" means any agreement or undertaking by any Former Landlord which is provided to Tenant or any affiliate of Tenant in connection with the execution by tenant of the Lease or the occupancy by Tenant of Tenant's Premises and which is not expressly set forth in the Lease, including free or reduced rent, early termination rights or options, assumption of any other lease obligations of Tenant or any affiliate of Tenant relating to property other than Landlord's Premises, payment of moving or relocation costs, construction or installation of improvements to or alterations of Tenant's Premises or Landlord's Premises or the premises of any affiliate of Tenant, or any other economic, financial or contractual benefit to Tenant or any affiliate of Tenant of any type or nature that is provided by Landlord as an inducement to Tenant to enter into the Lease or to commence Tenant's occupancy of Tenant's Premises.

1.8 Termination Right. A "Termination Right" means any right of Tenant to cancel or terminate the Lease or to claim a partial or total eviction arising (whether under the Lease or under applicable law) from Landlord's breach or default under the Lease.

2. Subordination.

The Lease shall be, and shall at all times remain, subject and subordinate to the Deed of Trust, the lien imposed by the Deed of Trust, and all advances made under the Loan Documents. Tenant hereby intentionally and unconditionally subordinates the Lease and all of Tenant's right, title and interest thereunder and in and to Landlord's Premises (including Tenant's right, title and interest in connection with any insurance proceeds or eminent domain awards or compensation relating to Landlord's Premises and Tenant's right to receive and retain any rentals or payments made under any sublease or concession agreement of or relating to any portion of Tenant's Premises), to the lien of the Deed of Trust and all of Lender's rights and remedies thereunder, and agrees that the Deed of Trust shall unconditionally be and shall at all times remain a lien on Landlord's Premises prior and superior to the Lease.

3. Nondisturbance, Recognition and Attornment.

3.1 No Exercise of Deed of Trust Remedies Against Tenant. So long as the Lease has not been terminated on account of Tenant's default that has continued beyond applicable cure periods (an "Event of Default"), Lender shall not name or join Tenant as a defendant in any judicial action or proceeding that is commenced pursuant to the exercise of Lender's rights and remedies arising upon a default by Landlord under the Deed of Trust unless (a) applicable law requires Tenant to be made a party thereto as a condition to proceeding against Landlord or in order to prosecute or otherwise fully enforce such rights and remedies; or (b) such joinder of Tenant is required for the recovery by Lender of any Rent at any time owing by Tenant under the Lease, whether pursuant to the assignment of rents set forth in the Deed of Trust or otherwise; or (c) such joinder is required in order to enforce any right of Lender to enter Landlord's Premises for the purpose of making any inspection or assessment, or in order to protect the value of Lender's security provided by the Deed of Trust. In any instance in which Lender is permitted to join Tenant as a defendant as provided above, Lender agrees not to terminate the Lease or otherwise adversely affect Tenant's rights under the Lease or this Agreement in or pursuant to such action or proceeding, unless an Event of Default by Tenant has occurred and is continuing. The foregoing provisions of this Section 3.1 shall not be construed in any manner that would prevent Lender from (i) carrying out any nonjudicial foreclosure proceeding under the Deed of Trust, (ii) exercising Lender's rights under the provisions of applicable law with respect to the enforcement against Tenant of any assignment of rents made by Landlord to Lender in connection with the Loan, or (iii) obtaining the appointment of a receiver for the Landlord's Premises as and when permitted under applicable law.

3.2 Nondisturbance and Attornment. Notwithstanding the provisions of Section 2 above, if the Lease has not been terminated on account of an Event of Default by Tenant, then, when Successor Landlord acquires title to Landlord's Premises: (a) Successor Landlord shall not terminate or disturb Tenant's possession of Tenant's Premises under the Lease, except in accordance with the terms of the Lease and this Agreement; (b) Successor Landlord shall be bound to Tenant under all the terms and conditions of the Lease (except as provided in this Agreement); (c) Tenant shall recognize and attorn to Successor Landlord as Tenant's direct landlord under the Lease as affected by this Agreement; and (d) the Lease shall continue in full force and effect as a direct lease, in accordance with its terms (except as provided in this Agreement), between Successor Landlord and Tenant.

3.3 Acknowledgment. Tenant acknowledges that Lender would not make the Loan without this Agreement and the subordination of the Lease to the lien of the Deed of Trust as set forth herein, and that in reliance upon, and in consideration of, this subordination, specific monetary and other obligations are being and will be entered into by Lender which would not be made or entered into but for reliance upon this Agreement and such subordination of the Lease. This Agreement is and shall be the sole and only agreement with regard to the subordination of the Lease to the lien of the Deed of Trust and shall supersede and cancel, but only insofar as would affect the priority between the Deed of Trust and the Lease, any prior agreement as to such subordination, including those provisions, if any, contained in the Lease which

provide for the subordination of the Lease to a present or future deed or deeds of trust or to a present or future mortgage or mortgages.

3.4 Use of Proceeds. Lender, in making any advances of the Loan pursuant to any of the Loan Documents, shall be under no obligation or duty to, nor has Lender represented to Tenant that it will, see to the application of such proceeds by the person or persons to whom Lender disburses such advances, and any application or use of such proceeds for purposes other than those provided for in any Loan Document shall not defeat Tenant's agreement to subordinate the Lease in whole or in part as set forth in this Agreement.

3.5 Turnover of Rent. Tenant shall pay to Lender all Rent otherwise payable to Landlord under the Lease upon written demand from Lender, and Tenant shall not have the right to contest or question the validity of any such written demand from Lender or the extent to which Lender may properly exercise its rights to collect rents from Landlord's Premises pursuant to the provisions of the Loan Documents. The consent and approval of Landlord to this Agreement shall constitute an express authorization for Tenant to make such payments to Lender and a release and discharge of all liability of Tenant to Landlord for any such payments made to Lender in compliance with Lender's written demand.

3.6 Additional Subordination; Bankruptcy Rights. Tenant shall not subordinate its rights under the Lease to any other mortgage, deed of trust, or other security instrument without the prior written consent of Lender, which consent may be given or withheld in Lender's sole and absolute discretion. In the event the Lease is rejected or deemed rejected in any bankruptcy proceeding with respect to Landlord, Tenant shall not exercise its option to treat the Lease as terminated under 11 U.S.C. § 365(h), as amended, or any successor or similar statute.

3.7 Further Documentation. The provisions of this Article 3 shall be effective and self-operative without any need for Successor Landlord or Tenant to execute any further documents. Tenant and Successor Landlord shall, however, reasonably confirm the provisions of this Article 3 in writing upon request by either of them.

4. Protection of Successor Landlord.

Notwithstanding anything to the contrary in the Lease or the Deed of Trust, Successor Landlord shall not be liable for or bound by any of the following matters:

4.1 Claims Against Former Landlord. Any Offset Right that Tenant may have against any Former Landlord accruing before the date of attornment, including any claim for damages of any kind whatsoever as the result of any breach by Former Landlord that occurred before the date of attornment. The foregoing shall not limit either (a) Tenant's right to exercise against Successor Landlord any Offset Right otherwise available to Tenant because of events occurring after the date of attornment, or (b) Successor Landlord's obligation to correct any conditions that existed as of the date of attornment and that violate Successor Landlord's obligations as landlord under the Lease. Notwithstanding the foregoing clause (b), Tenant shall not be entitled to exercise any Offset Rights against Successor Landlord with respect to any Known Pre-existing Conditions (as hereinafter defined) or to enforce Successor Landlord's obligations to correct such conditions, unless Tenant shall have given Lender written notice of such conditions and an opportunity to inspect all of Tenant's Premises prior to the applicable Foreclosure Event. As used herein "Known Pre-existing Conditions" means any conditions that existed on or affected Tenant's Premises and were actually known to Tenant prior to the date of the attornment, which conditions were required to be corrected by Former Landlord prior to the date of attornment pursuant to the Lease.

4.2 Prepayments. Any payment of Rent that Tenant may have made to Former Landlord more than thirty (30) days before the date such Rent was first due and payable under the Lease with respect to

any period after the date of attornment, other than, and only to the extent of, prepayments expressly required under the Lease.

4.3 Payments; Security Deposit. Any obligation (a) to pay Tenant any sum(s) that any Former Landlord owed to Tenant, or (b) with respect to any security deposited with Former Landlord, except to the extent that such security was actually delivered to Lender by Former Landlord and Lender has the legal right to use or apply such security for the purposes provided in the Lease.

4.4 Modification, Amendment, or Waiver. Any modification or amendment of the Lease, or any waiver of any terms of the Lease, made without Lender's written consent.

4.5 Surrender, Etc. Any consensual or negotiated surrender, cancellation, or termination of the Lease, in whole or in part, agreed upon between Landlord and Tenant, unless effected pursuant to the express terms of the Lease.

4.6 Construction. Any repairs to the Landlord's Premises or the Premises required as a result of fire or other casualty or by reason of condemnation.

5. Exculpation of Successor Landlord.

Notwithstanding anything to the contrary in this Agreement or the Lease, upon any attornment pursuant to this Agreement, (a) the Lease shall be deemed to have been automatically amended to provide that Successor Landlord's obligations and liability under the Lease shall never extend beyond Successor Landlord's (or its successors' or assigns') interest, if any, in Landlord's Premises from time to time, including insurance and condemnation proceeds; Successor Landlord's interest in the Lease, and the proceeds from any sale or other disposition of Landlord's Premises by Successor Landlord (provided that Tenant shall have no interest in or right to participate in (i) any payments made under any promissory note received by Successor Landlord in connection with any such sale or other disposition, or (ii) any collateral held by Successor Landlord to secure such payments) (collectively, "Successor Landlord's Interest"), and Tenant shall look exclusively to Successor Landlord's Interest (or that of its successors and assigns) for payment or discharge of any obligations of Successor Landlord under the Lease as affected by this Agreement, and (b) the obligations under the Lease of Lender or any affiliate of Lender which becomes a Successor Landlord shall terminate upon the transfer by such Successor Landlord of its interest in Landlord's Premises, and thereupon Tenant shall look solely to the transferee for the performance of all obligations of the landlord under the Lease which accrue or otherwise become performable following the date of such transfer. If Tenant obtains any money judgment against Successor Landlord with respect to the Lease or the relationship between Successor Landlord and Tenant, then Tenant shall look solely to Successor Landlord's Interest (or that of its successors and assigns) to collect such judgment. Tenant shall not collect or attempt to collect any such judgment out of any other assets of Successor Landlord. Nothing herein shall be construed to grant Tenant any right to seek any recovery from any Former Landlord or Successor Landlord to the extent that such recovery is not permitted under or is restricted by the provisions of the Lease.

6. Lender's Right to Cure.

6.1 Notice to Lender. Notwithstanding anything to the contrary in the Lease or this Agreement, before exercising any Termination Right or Offset Right, Tenant shall provide Lender with notice of the breach or default by Landlord giving rise to same (the "Default Notice") and, thereafter, the opportunity to cure such breach or default as provided for below.

6.2 Lender's Cure Period. After Lender receives a Default Notice, Lender shall have a period of thirty (30) days beyond the time available to Landlord under the Lease in which to cure the breach or default by Landlord. Lender shall have no obligation to cure (and shall have no liability or obligation for not curing) any breach or default by Landlord, except to the extent that Lender agrees or undertakes otherwise in writing.

6.3 Extended Cure Period. In addition, as to any breach or default by Landlord the cure of which requires possession and control of Landlord's Premises, provided only that Lender undertakes to notify Tenant by written notice to Tenant within thirty (30) days after receipt of the Default Notice to exercise reasonable efforts to cure or cause to be cured by a receiver such breach or default within the period permitted by this Section 6.3, Lender's cure period shall continue for such additional time (the "Extended Cure Period") as Lender may reasonably require to either (a) obtain possession and control of Landlord's Premises and thereafter cure the breach or default with reasonable diligence and continuity or (b) obtain the appointment of a receiver and give such a reasonable period of time in which to cure the default.

7. Miscellaneous.

7.1 Notices. All notices or other communications required or permitted under this Agreement shall be in writing and given by certified mail (return receipt requested) or by nationally recognized overnight courier service that regularly maintains records of items delivered. Each party's address is as set forth in the opening paragraph of this Agreement, subject to change by notice under this Section 8.1. Notices shall be effective the next business day after being sent by overnight courier service, and five business days after being sent by certified mail (return receipt requested). Notices may also be provided by facsimile or electronic mail with confirmation of receipt to the sending party by the recipient.

7.2 Successors and Assigns. This Agreement shall bind and benefit the parties, their successors and assigns, any Successor Landlord, and its successors and assigns. If Lender assigns the Deed of Trust, then upon delivery to Tenant of written notice thereof accompanied by the assignee's written assumption of all obligations under this Agreement, all liability of the assignor shall terminate.

7.3 Entire Agreement. This Agreement constitutes the entire agreement between Lender and Tenant regarding the subordination of the Lease to the Deed of Trust and the rights and obligations of Tenant and Lender as to the subject matter of this Agreement.

7.4 Interaction with Lease and with Deed of Trust; Severability. If this Agreement conflicts with the Lease, then this Agreement shall govern as between the parties and any Successor Landlord, including upon any attornment pursuant to this Agreement. This Agreement supersedes, and constitutes full compliance with, any provisions in the Lease that provide for subordination of the Lease to, or for delivery of nondisturbance agreements by the beneficiary of, the Deed of Trust. Lender confirms that Lender has consented to Landlord's entering into the Lease. If any provision of this Agreement is determined to be invalid, illegal or unenforceable, such provision shall be considered severed from the rest of this Agreement and the remaining provisions shall continue in full force and effect as if such provision had not been included.

7.5 Lender's Rights and Obligations. Except as expressly provided for in this Agreement, Lender shall have no obligations to Tenant with respect to the Lease. If an attornment occurs pursuant to this Agreement, then all rights and obligations of Lender under this Agreement shall terminate, without thereby affecting in any way the rights and obligations of Successor Landlord provided for in this Agreement.

7.6 Interpretation; Governing Law. The interpretation, validity and enforcement of this Agreement shall be governed by and construed under the internal laws of the State of California, excluding

its principles of conflict of laws. The words "include" and "including" shall be interpreted as if followed by the words "without limitation."

7.7 Amendments. This Agreement may be amended, discharged or terminated, or any of its provisions waived, only by written instrument executed by the party to be charged.

7.8 Execution. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

7.9 Costs and Attorneys' Fees. In the event of any claim or dispute arising out of or in connection with the interpretation or enforcement of this Agreement, the party that substantially prevails shall be awarded, in addition to all other relief, all attorneys' fees and other costs and expenses incurred in connection with such claim or dispute; including those reasonable fees, costs, and expenses incurred before or after suit, and in any arbitration, and any appeal, any proceedings under any present or future bankruptcy act or state receivership, and any post-judgment proceedings.


7.10 Lender's Representation. Lender represents that Lender has full authority to enter into this Agreement, and Lender's entry into this Agreement has been duly authorized by all necessary actions.

[Signature Page Follows]

IN WITNESS WHEREOF, this Agreement has been duly executed by Lender and Tenant as of the Effective Date.

LENDER:

GOLDMAN SACHS BANK USA

By: 
Name: Brandon Cundith
Title: Authorized Signer

ALL SIGNATURES MUST BE ACKNOWLEDGED

Signature Page to Subordination, Non-Disturbance and Attornment Agreement

TENANT:

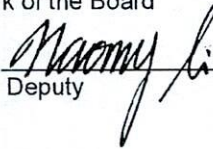
COUNTY OF RIVERSIDE, a political subdivision of the

State of California

By: 
Chuck Washington, Chair
Board of Supervisors

ATTEST:

Kimberly A. Rector
Clerk of the Board

By: 
Deputy

APPROVED AS TO FORM:

Minh C. Tran
County Counsel

By: 
Braden Holly
Deputy County Counsel

ALL SIGNATURES MUST BE ACKNOWLEDGED

Signature Page to Subordination, Non-Disturbance and Attornment Agreement

4869-8944-4781

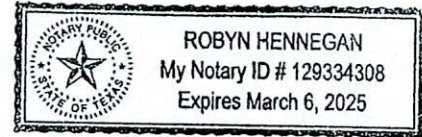
JUN 11 2024 3.18

LENDER'S ACKNOWLEDGMENT

STATE OF TX
COUNTY OF DAWAS

On June 3, 2024, before me, Robyn Hennegan, personally appeared Brandon Cundith the Authorized Signatory of Lender and _____ [Witness] 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 acted, executed the instrument. I certify under PENALTY OF PERJURY under the laws of the State of Texas that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Robyn Hennegan (Seal)

TENANT'S ACKNOWLEDGMENT

STATE OF _____
COUNTY OF _____

On _____, 2024, before me, _____, personally appeared _____, the _____ of Tenant, and _____ [Witness] 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 acted, executed the instrument. I certify under PENALTY OF PERJURY under the laws of the State of Washington that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (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 RIVERSIDE }

On June 11, 2024, before me, Naomy Sicra, a COB Assistant, personally appeared Chuck Washington, Chair of the Board of Supervisors, 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; 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

Kimberly A. Rector
Clerk of the Board of Supervisors

By: Naomy Sicra
Deputy Clerk
(SEAL)

LANDLORD'S CONSENT

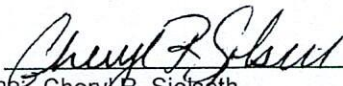
Landlord is not a party to the foregoing Agreement, but Landlord, for itself and its successor and assigns, consents and agrees to all of the provisions of the Agreement, including without limitation the provisions of Section 3.5 thereof, and Landlord shall not take or assert as against Lender or Tenant any position that would be inconsistent with the provisions of the Agreement or that would cause the Tenant to be in breach of the Agreement. The Agreement was entered into at Landlord's request. The Agreement shall not alter, waive or diminish any of Landlord's obligations under the Deed of Trust or the Lease. The Agreement discharges any obligations of Lender under the Deed of Trust and related Loan Documents to enter into a nondisturbance agreement with Tenant.

Dated: April 4, 2024

LANDLORD:

DBP 1-3 L.L.C.,
a Washington limited liability company

By: Tarragon SW, a Washington corporation
Its: Manager

By: 
Name: Cheryl R. Sjolseth
Its: Chief Financial Officer

ALL SIGNATURES MUST BE ACKNOWLEDGED

ACKNOWLEDGMENT

STATE OF Washington)
)
COUNTY OF Pierce) ss.

This document was acknowledged before me on April 4th, 2024 by Cheryl R. Sjolseth as Chief Financial Officer of Tarragon SW, a Washington corporation, as Manager of DBP 1-3 L.L.C., a Washington limited liability company.



Jennifer L. Hamblen
Signature of Notary
Notary Public- State of Washington
My commission expires: 12-6-2025

Exhibit "A"

Description of Landlord's Premises

The land referred to herein is situated in the State of California, County of Riverside Unincorporated Area and described as follows:

Parcel A1:

Parcels 16, 17, 18 and 19 of Parcel Map 29715-1, in the County of Riverside, State of California, as per Map recorded in Book 202, Pages 35 through 39 inclusive of Parcel Maps, in the Official Records of the County Recorder of Riverside County.

Informational Purposes, Only: APNs: 626-420-016, 626-420-017, 626-420-018 and 626-420-019

Parcel A2:

The non-exclusive easements and rights for ingress, egress and recreational rights in and to the common areas, and those certain reciprocal driveway and access road easements, established pursuant to the declaration of covenants, conditions and restrictions and reservation of easements for Desert Business and Design Center, recorded July 10, 2002, as Instrument No. 2002-378079, in the Official Records of the County Recorder of Riverside County.

Parcel B1:

Parcels 1 and 2 of Parcel Map No. 29715, in the County of Riverside, State of California, as shown by Map on file in Book 208, Pages 96 through 99, inclusive, of Parcel Maps, in the Official Records of the County Recorder of Riverside County.

Informational Purposes, Only: APNs: 626-420-049 and 626-420-050

Parcel B2:

Easements for ingress and egress, pedestrian walkway and incidental rights as set forth in that certain amended and restated declaration of covenants, conditions and restrictions and reservations of easements for desert business and design center, upon the terms and provisions as set forth in said document recorded May 12, 2006 as Instrument No. 2006-0347510, in the Official Records of the County Recorder of Riverside County.

Parcel C1:

Parcels 3 and 8 of Parcel Map No. 29715, as shown by Map on file in Book 208, Pages 96 to 99 of Parcel Maps, in the Official Records of the County Recorder of Riverside County.

Informational Purposes, Only: APN: 626-420-051 and 626-420-056

Parcel C2:

Easements for ingress and egress, pedestrian walkway and incidental rights as set forth in that certain amended and restated declaration of covenants, conditions and restrictions and reservations of easements for desert business and design center, upon the terms and provisions as set forth in said

document recorded May 12, 2006 as Instrument No. 2006-0347510, in the Official Records of the County Recorder of Riverside County.

Parcel D1:

Parcels 5 and 6 of Parcel Map No. 32544, as shown by Map on file in Book 221 Pages 65 to 68 of Parcel Maps, in the Official Records of the County Recorder of Riverside County.

Informational Purposes, Only: APN: 626-420-082 and 626-420-083

Parcel D2:

Easements for ingress and egress, pedestrian walkway and incidental rights as set forth in that certain amended and restated declaration of covenants, conditions and restrictions and reservations of easements for desert business and design center, upon the terms and provisions as set forth in said document recorded May 12, 2006 as Instrument No. 2006-0347510, in the Official Records of the County Recorder of Riverside County.

Parcel E:

Non-exclusive reciprocal easements for the purpose of ingress and egress, for the benefit of Parcel D1 described above, being particularly described in the grant of reciprocal easement recorded October 14, 2005 as Instrument No. 2005-0848891, in the Official Records of the County Recorder of Riverside County.

MH:ps/05102024/PD020/40.068

ESTOPPEL CERTIFICATE

To: Goldman Sachs Bank USA
200 West Street
New York, New York 10282-2198

Date: _____, 2024

Re: 77-588 El Duna Ct, Suite H & I, Palm Desert, California (the "Property")

The undersigned, as tenant ("Tenant") of approximately 10,000 rentable square feet of space and approximately 20 unreserved parking spaces at the Property (the "Premises"), under that certain Lease dated July 16, 2013 (as amended, the "Lease") between Tenant and DBP 1-3 L.L.C., a Washington limited liability company (together with its successors and assigns, "Landlord"), hereby certifies, represents and warrants to Goldman Sachs Bank USA and its successors, assigns and participants ("Lender") as of the date set forth above, as follows:

(a) Attached hereto as Exhibit "A" is a true, correct and complete copy of the Lease, together with all amendments thereto, and the Lease has not been modified, supplemented or amended except as set forth in such Exhibit "A";

(b) The Lease is in full force and effect, and Tenant has not assigned or encumbered its interest in the Lease;

(c) The Lease represents the entire agreement between Landlord and Tenant as to Tenant's occupancy of the Premises, and there are no other agreements, written or oral, between Tenant and Landlord respecting Tenant's occupancy of the Premises or Property; *We do recognize this statement as factual as of today's date, with a pending approval of the First Amendment to Lease on April 30, 2024, that would extend the term of the Lease through March 31, 2034, expand the rentable space to 15,000 square feet and adjust the rent accordingly.

(d) Tenant maintains all insurance it is required to maintain under the Lease, and all premiums therefor have been paid as and when required;

(e) The commencement date of the term of the Lease was September 16, 2013, and Tenant has occupied and unconditionally accepted the Premises and is doing business thereon;

(f) The expiration date of the term of the Lease was September 30, 2023, and Tenant has no rights to renew, extend or cancel the Lease or to lease additional space in the Premises or at the Property, except as follows: Pursuant to Section 4.4 of the Lease, the Tenant is holding over on a month-to-month basis.

(g) Tenant has no option or preferential right to purchase all or any part of the Premises or the Property, and has no right or interest with respect to the Premises or the Property other than as Tenant under the Lease, except as follows: None;

(h) To Tenant's knowledge, (i) all conditions of the Lease to be performed by Landlord to date have been satisfied, and (ii) Tenant has no defenses, offsets, claims or credits against the enforcement of the Lease except for prepaid rent as set forth below;

(i) All contributions required by the Lease to be paid by Landlord to date for improvements to the Premises have been paid in full, and all improvements or work Landlord is required to have completed under the Lease by the date hereof, if any, have been completed to Tenant's satisfaction;

(j) The base monthly rent currently payable under the Lease is \$13,439.16, such rent has commenced to accrue, and such rent, together with all additional rent payable under the Lease, has been paid through April 30, 2024 (not to exceed one month);

(k) Tenant has made no agreement with Landlord or any agent, representative or employee of Landlord concerning free rent, partial rent, rebate of rental payments or any other similar rent concession, except as follows: None;

(l) There are no defaults under the Lease by Tenant or, to Tenant's knowledge, Landlord, and no event has occurred or situation exists that would, with the passage of time or the giving of notice, constitute a default under the Lease by Tenant or, to Tenant's knowledge, Landlord, except as follows: None;

(m) Tenant has paid to Landlord a security deposit in the amount of None; and

(n) There are no actions, whether voluntary or otherwise, pending against Tenant or any guarantor of the Lease under the bankruptcy or insolvency laws of the United States or any state thereof.

EXECUTED as of the date first above written.

COUNTY OF RIVERSIDE

By: _____
Rose Salgado
Director, Facilities Management

APPROVED AS TO FORM:
County Counsel

By: Braden Holly
Braden Holly
Deputy County Counsel

HR..PS 4/25/24 - PD020/ 40.063

Exhibit A

Lease

[See attached]

Transportation Land Management Agency

77588 el Duna Court, Palm Desert, 92211



Legend

- County Boundary
- City Boundaries
- County Centerline Names
- County Centerlines
- Blueline Streams
- City Areas



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

Notes

Assessor's Parcel Number 626-420-051
District 4
Building outlined in blue

0 335 670 Feet

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