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Recorded in Official Records  
County of Riverside

Larry W. Ward  
Assessor, County Clerk & Recorder



RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

Garden of Champions LLC  
c/o Indian Wells Tennis Tournament, LLC  
11100 Santa Monica Blvd., Suite 600  
Los Angeles, CA 90025  
Attn: Mike Sultan

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MEMORANDUM OF GROUND LEASE

This Memorandum of Ground Lease is entered into on this 23 day of March, 2006, between CITY OF INDIAN WELLS, a charter city duly organized under the Constitution and laws of the State of California ("Landlord") and GARDEN OF CHAMPIONS LLC, a California limited liability company ("Tenant").



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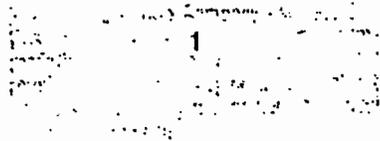
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Landlord and Tenant entered into a certain Ground Lease ("Ground Lease") dated of even date with this Memorandum, pursuant to which Landlord leases to Tenant, and Tenant leases from Landlord, for a term of twenty (20) years (unless earlier terminated as provided in the Ground Lease), the premises consisting of approximately twelve and sixty-four tenths (12.64) acres of land situated in the City of Indian Wells, County of Riverside, State of California as more particularly described on Exhibit "A" attached hereto and made a part hereof, including the parking lot improvements now or hereafter located thereon and all other improvements located thereon, as well as all privileges, entitlements, easements, rights and appurtenances thereto (the "Premises"). The Premises are near the Indian Wells Tennis Garden located at 78-200 Miles Avenue, Indian Wells, CA 92210 ("IWTG"), the site of the Pacific Life Open, an annual international tennis tournament involving members of both the Association of Tennis Professionals and the Women's Tennis Association

1. Use and Revenue.

1.1 In General. The Premises may be used by Tenant solely for use as a parking lot and parking related purposes for the benefit of IWTG. Tenant shall, in the conduct of its business, comply with the requirements of all public laws, ordinances and regulations from time to time applicable to the business conducted upon the Premises. Landlord acknowledges and agrees that, as part of Tenant's use of the Premises, Tenant may demand, collect and retain revenue from any party that parks on the Premises other than the invitees, guests or other parties that park on the Premises pursuant to the concurrent rights of possession, use and enjoyment of the Premises described in this Section 1.1. Tenant acknowledges and agrees that its possession, use and enjoyment of the Premises is subject to the concurrent right of possession, use and enjoyment of Landlord and that Landlord shall have the right to possess, use and enjoy the Premises in any manner that does not unreasonably interfere with Tenant's right to

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use and enjoy the Premises in accordance with the terms and provisions of the Ground Lease. In addition, Tenant and Landlord each acknowledge that following the date of the Ground Lease, each of Ford Elementary School and Southwest Community Church may acquire certain concurrent nonexclusive rights of use with respect to the Premises, provided, however, that (i) neither the Ford Elementary School nor Southwest Community Church shall have any such rights with respect to the Premises or otherwise be entitled to use any portion of the Premises unless and until a nonexclusive license agreement with respect to the Premises, the form and content of which has been approved by Landlord and Tenant in their reasonable good faith discretion, has been executed by Tenant, Landlord and Ford Elementary School or Southwest Community Church, as applicable, and (ii) unless Tenant agrees to the contrary, the rights of use of Ford Elementary School and Southwest Community Church, as applicable, shall be subordinate and subject to the rights of use and enjoyment directly granted to Tenant pursuant hereto. Landlord reserves the right to prepare and adopt reasonable rules and regulations that govern the use and enjoyment of the Premises, provided, however, that any rules and regulations that are adopted shall not impede or otherwise interfere with the rights of use and enjoyment directly granted to Tenant pursuant hereto.

1.2 Revenue. Tenant may receive the revenue from the use and operation of the Premises and all facilities (such as pay phones, advertising panels, vending machines and like) installed thereon with the permission of Landlord pursuant to Section 5.5 of the Ground Lease.

## 2. Liens and Encumbrances.

2.1 Right to Encumber. Nothing in the Ground Lease shall restrict Tenant from encumbering, and Tenant shall have the right to encumber, the Ground Lease, Tenant's leasehold estate in the Premises, any improvements constructed by Tenant, and any equipment, fixtures, and personal property that may be located thereon, by one or more mortgages, deeds of trust, deeds to secure debt or other appropriate instrument (a "Leasehold Mortgage") to a Lienholder (defined below). Landlord agrees at no cost or expense to Landlord to execute any document required by Tenant's lender consenting to a mortgage on the Premises and an assignment of the Ground Lease for security purposes.

2.2 Lienholder Defined. As used in the Ground Lease, the term "Lienholder" shall mean any lender which is now or in the future the holder and owner of the debt secured by a Leasehold Mortgage.

2.3 Consent of Lienholder. The Ground Lease may not be terminated, surrendered or amended, nor may any provisions hereof be waived or deferred, without the prior written consent of each Lienholder that has requested notice in accordance with Section 2.4.

2.4 Notice to Lienholder. Landlord shall send to each Lienholder (but to no more than five (5) parties in the aggregate) a copy of all notices sent by Landlord to Tenant, or received by Landlord from Tenant, with respect to any default hereunder by

Landlord or Tenant or any event which, with the passage of time, or the giving of notice, or both, could constitute a default by Landlord or Tenant. No such notice from Landlord to Tenant shall be effective unless a copy thereof has been delivered to each Lienholder in the manner provided in Section 16.1 of the Ground Lease. However, Landlord shall have no duty to send a copy of any notice to any Lienholder which does not by written notice to Landlord request such notice and specify the address to which copies of same are to be sent pursuant to this Section 2.4. Any Lienholder's address for receipt of notices may be changed by written notice to Landlord.

2.5 Landlord's Remedies. Notwithstanding anything to the contrary in the Ground Lease, Landlord may exercise any remedy available to Landlord only if (A) Tenant has not cured or commenced cure of the default within ninety (90) days after its receipt of notice thereof from Landlord, (B) Landlord sends each Lienholder written notice specifying such default, and (C) all Lienholders fail to cure the default and fail to commence curing the default as provided in Section 2.5 (a) of Section 2.5 (b) below.

(a) If such default is a failure by Tenant to pay any monies to Landlord or to any other party as required hereunder, any Lienholder shall have the right, but not the obligation to cure such default within thirty (30) days after the expiration of Tenant's cure period; provided, however, in no event shall any Lienholder be required to pay an amount greater than one (1) month's worth of the charges imposed with respect to the Land to cure any single default due hereunder from Tenant to Landlord or to any other party to cure defaults in the payment of charges for periods prior to the date of Landlord's initial notice to any such Lienholder hereunder. The foregoing one-month period shall serve solely as a measurement period and as a partial limitation of Landlord's rights against any Lienholder to recover monetary damages if no notice of a monetary default is given for a period in excess of one (1) months from the date of such default.

(b) If such default is an act or omission other than Tenant's failure to pay monies to Landlord or to any other party as required hereunder, Landlord shall not have any right to exercise any remedy if (i) within thirty (30) days after the expiration of Tenant's cure period or thirty (30) days after Lienholder receives written notice that Tenant is not diligently proceeding to cure the same, any Lienholder commences the work of curing such default and proceeds diligently and in good faith to cure the default until completion; or (ii) if such default is not susceptible to being cured by any Lienholder without such Lienholder obtaining possession of the Premises or title to Tenant's leasehold estate created hereby, the Lienholder commences and thereafter diligently pursuing to completion proceedings to obtain possession and/or to foreclose the Leasehold Mortgage held by such Lienholder, or diligently proceeds to obtain title to Tenant's leasehold estate created hereby by deed or assignment in lieu of foreclosure, provided that such Lienholder shall commence within thirty (30) days after obtaining such possession or such title the curing of such default and proceed diligently and in good faith to cure the default until completion. A Lienholder shall have no obligation to (i) cure any default by Tenant which is personal to Tenant, or (ii) discharge any lien on the Premises which is subordinate to its Leasehold Mortgage, so long as the Lienholder is proceeding to obtain Tenant's leasehold interest under clause (ii) above.

2.6 Right to Cure. Any Lienholder shall have the right, but not the obligation, to cure any default under the Ground Lease within the applicable cure period, and Landlord shall accept such performance by or at the insistence of any such Lienholder as if the same had been made by Tenant.

2.7 New Lease. If the Ground Lease shall terminate prior to the expiration of the Term except as a result of a Lienholder not electing or failing to cure a default as provided in Section 2.5, for any reason whatsoever, including, but not limited to, operation of law or the rejection of the Ground Lease by Tenant as debtor in possession or any trustee of Tenant in any bankruptcy, reorganization, arrangement or similar proceeding, Landlord shall give prompt notice thereof to any Lienholder and shall enter into a new lease (the "New Lease") in recordable form with any such Lienholder who demands such New Lease within sixty (60) days after the termination of the Ground Lease, and who executes and delivers a New Lease to Landlord. The New Lease shall have the same priority as the Ground Lease and shall contain the same terms and provisions as contained herein, including but not limited to the same provisions and rights in favor of and for the benefit of any Lienholder as are contained in the Ground Lease and the right to obtain an additional new lease if said New Lease is terminated, and the right to receive notices of default, and to cure the same, in the same manner as provided in the Ground Lease; provided, however, Landlord shall not be required to remove any encumbrances which could adversely affect the priority of the Ground Lease unless required to remove the same pursuant to another provision of the Ground Lease. The following terms and provisions shall apply to the New Lease:

(a) The New Lease shall be effective as of the date of termination of the Ground Lease (the "New Lease Effective Date"), and shall be effective for the remainder of the Term at the rent and upon all of the terms and provisions hereof. Upon the execution of a New Lease, the tenant thereunder shall pay to Landlord, subject to the adjustments required below, any and all rent and all other sums payable to Landlord by such tenant pursuant to the New Lease which accrued during the period from the New Lease Effective Date to the date of execution and delivery of the New Lease (the "New Lease Execution Date"), plus all arrearages under the Ground Lease for the period prior to the New Lease Effective Date, less the net amount of all sums received by Landlord from any sublessees in occupancy of any part or parts of the Premises up to the date of the Ground Lease (and not used to pay operating expenses and carrying charges of the Premises, as described in Section 2.9), but not any late charges or interest on any such sums, and shall commence and diligently proceed to cure any default by Tenant. If Rent or any other amount has been prepaid under the Ground Lease, such Rent and payments shall be credited towards the Rent and payments which otherwise would be due under the New Lease.

(b) Following the termination of the Ground Lease and until each Lienholder has failed within sixty (60) days thereafter to demand a New Lease, Landlord shall not alter or in any way demolish any improvements on the Premises. Landlord during the same period shall not remove, replace or change any furniture, furnishings, fixtures or equipment located on the Premises.

2.8 Survival. The provisions of this Section 2.8 and of Sections 2.7 and 2.9 shall survive the termination, rejection or disaffirmance of the Ground Lease for a period of ninety (90) days and shall continue in full force and effect thereafter to the same extent as if Sections 2.7, 2.8 and 2.9 were a separate and independent contract made by Landlord and any Lienholder, and, from the effective date of such termination, rejection or disaffirmance of the Ground Lease to the New Lease Execution Date, any such Lienholder executing the same may use and enjoy said Premises without hindrance by Landlord or any person claiming by, through or under Landlord.

2.9 Subleases and Rents. After the termination of the Ground Lease and during the period thereafter during which any Lienholder shall be entitled to enter into a New Lease, Landlord will not terminate any sublease or the rights of the subtenant under such a sublease unless such subtenant shall be in default under such sublease. During such period, Landlord shall receive all base rent and other payments due from subtenants as agent of any such Lienholder, but may withdraw such sums, from time to time, to pay necessary operating expenses and carrying charges of the Premises, and, upon the execution and delivery of a New Lease, shall credit the tenant under the New Lease with the balance, if any, of the base rent, additional rents and other payments made under said subleases, to be applied against the Rent and other sums due the Landlord under the New Lease (or, to the extent in excess of such Rent and other sums, paid over to the tenant under the New Lease). If the Lienholder does not enter into a New Lease, Landlord shall be entitled to retain any and all such monies.

2.10 Obligations of Lienholder in Possession. No Lienholder shall have any personal liability for performance of Tenant's obligations under the Ground Lease unless and until such Lienholder acquires title to Tenant's leasehold estate or assumes possession of the Premises; provided, however, the foregoing shall not be construed to relieve the Lienholder and/or Tenant to pay Rent and all other sums due hereunder in order to preserve Tenant's leasehold estate.

2.11 Designees and Nominees. All references in the Ground Lease to a Lienholder shall be construed to also refer to any such Lienholder's designee or nominee.

2.12 Cooperation. Landlord and Tenant shall cooperate by incorporating into the Ground Lease, by suitable amendment from time to time, any provision which may reasonably be requested by any proposed Lienholder for the purpose of implementing the leasehold mortgagee protection provisions contained in the Ground Lease and allowing such Lienholder reasonable means to protect or preserve the lien of a Leasehold Mortgage upon the occurrence of a default under the terms of the Ground Lease; provided, however, that any such amendment shall not in any way affect the term or rent under the Ground Lease or otherwise, in any material respect, adversely affect any rights of Landlord under the Ground Lease. Landlord and Tenant each agree to execute and deliver any agreement necessary to effect any such amendment (and to execute a short form memorandum thereof, if necessary, for recording purposes).

2.13 Third Party Beneficiary. Any Lienholder shall be deemed to be a third party beneficiary of this Section 2.

3. Other Terms. Other terms, covenants and conditions relating to the Ground Lease are set forth at length in the Ground Lease, and all of said provisions, terms, covenants and conditions are, by reference hereto, hereby incorporated in and made a part of this Memorandum of Ground Lease.

4. Binding Effect. This instrument shall also bind and benefit, as the case may require, the heirs, legal representatives, assigns and successors of the respective parties, and all covenants, conditions and agreements herein contained shall be construed as covenants running with the land. This instrument shall not become binding upon the parties until it shall have been executed and delivered by both Landlord and Tenant.

5. Definitions. All terms in this Memorandum of Ground Lease not otherwise defined herein shall have the same definitions as are provided therefor in the Lease.

6. Effect of Memorandum. This Memorandum of Ground Lease is made and executed by the parties hereto for the purpose of recording the same in the office of the public records of Riverside County, California, and is subject in each and every respect, to the rents and other terms, covenants and conditions of the Ground Lease and this Memorandum of Lease is executed and delivered with the understanding and agreement that the same shall not in any manner or form whatsoever, alter, modify, amend or vary the rents and other terms, covenants and conditions of the Ground Lease. In the event of any inconsistency between the terms, conditions, provisions and covenants of this Memorandum of Ground Lease and the Ground Lease, the terms, conditions, provisions and covenants of the Ground Lease shall prevail.

7. Counterparts. This Memorandum of Ground Lease may be executed in one or more counterparts and bear the signature of each party on a separate counterpart, each of which when so executed and delivered shall be deemed an original but all of which taken together shall constitute but one and the same instrument.

8. Quitclaim and Termination. Tenant, on behalf of its successors and assigns, acknowledges and agrees that upon the expiration or earlier termination of the Ground Lease in accordance with its terms, Landlord or its successor or assign may execute and record a quitclaim, termination and such other documents or instruments as may be required to remove this Memorandum of Ground Lease as an encumbrance on title to the Premises. In conjunction with the foregoing, Tenant, on behalf of itself and its successors and assigns, hereby makes, constitutes and appoints Landlord or its successor or assign, as applicable, to be its true and lawful attorney-in-fact in accordance with the laws governing powers of attorney in the State of California and to act for it, on its behalf, in its name, place and stead and as its attorney-in-fact for sole and limited purpose of executing such documents or instruments as may be required to remove this Memorandum of Ground Lease as an encumbrance on title to the Premises upon the expiration or earlier termination of the Ground Lease in accordance with its

terms. In addition to the foregoing, Tenant covenants and agrees, on behalf of itself and its successors and assigns, upon the request of Landlord or its successors and assigns, to execute acknowledge and record such documents or Instruments as Landlord may deem to be reasonably required to effectively remove this Memorandum of Ground Lease as an encumbrance on title to the Premises following the expiration or earlier termination of the Ground Lease in accordance with its terms.

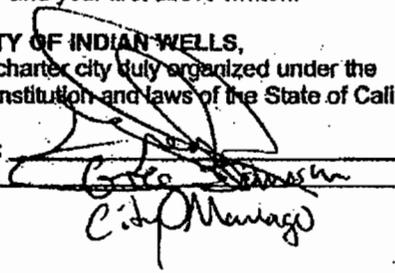
IN WITNESS WHEREOF, Landlord and Tenant have executed this Memorandum of Ground Lease as of the day and year first above written.

Landlord:

CITY OF INDIAN WELLS,  
a charter city duly organized under the  
Constitution and laws of the State of California

By:

Its:



City Manager

APPROVED AS TO FORM:

By: Stephen P. Deitsch  
Stephen P. Deitsch, Esq., City  
Attorney

ATTEST:

By: [Signature]  
City Clerk

**Tenant:**

**GARDEN OF CHAMPIONS LLC,**  
a California limited liability company

By: **INDIAN WELLS TENNIS**  
**TOURNAMENT, LLC,**  
a Nevada limited liability company,

Its MEMBER

BY ~~PM SPORTS TOURNAMENT, LLC, MEMBER~~

BY ~~INDIAN WELLS TENNIS TOURNAMENT, LLC, MEMBER~~

By: Raymond Moore

Its: MEMBER

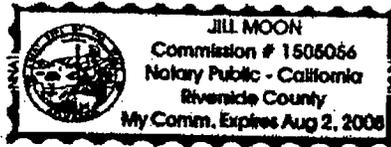
Raymond Moore

STATE OF CALIFORNIA )  
COUNTY OF Riverside }

On March 10, 2006 before me, Jill Moon, a Notary Public,  
personally appeared Breg Johnson,  
personally known to me (or proved to me on the basis of satisfactory evidence) to be  
the person whose name is subscribed to the within instrument and acknowledged to me  
that he executed the same in his authorized capacity, and that by his signature on the  
instrument the person, or the entity upon behalf of which the person acted, executed the  
instrument.

WITNESS my hand and official seal.

Jill Moon  
Notary Public



STATE OF CALIFORNIA )  
COUNTY OF \_\_\_\_\_ }

On \_\_\_\_\_ before me, \_\_\_\_\_, a Notary Public,  
personally appeared \_\_\_\_\_,  
personally known to me (or proved to me on the basis of satisfactory evidence) to be  
the person whose name is subscribed to the within instrument and acknowledged to me  
that he executed the same in his authorized capacity, and that by his signature on the  
instrument the person, or the entity upon behalf of which the person acted, executed the  
instrument.

WITNESS my hand and official seal.

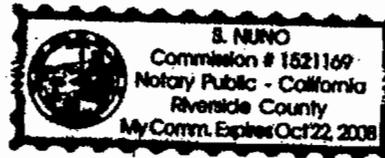
\_\_\_\_\_  
Notary Public

STATE OF CALIFORNIA )  
 )  
COUNTY OF RIVERSIDE )

On 3-10-06 before me, S NUNO, a Notary Public,  
personally appeared RAYMOND MOORE  
~~personally known to me~~ (or proved to me on the basis of satisfactory evidence) to be  
the person whose name is subscribed to the within instrument and acknowledged to me  
that he executed the same in his authorized capacity, and that by his signature on the  
instrument the person, or the entity upon behalf of which the person acted, executed the  
instrument.

WITNESS my hand and official seal.

S. NUNO  
Notary Public



STATE OF CALIFORNIA )  
 )  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_, a Notary Public,  
personally appeared \_\_\_\_\_  
personally known to me (or proved to me on the basis of satisfactory evidence) to be  
the person whose name is subscribed to the within instrument and acknowledged to me  
that he executed the same in his authorized capacity, and that by his signature on the  
instrument the person, or the entity upon behalf of which the person acted, executed the  
instrument.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

EXHIBIT "A"  
LEGAL DESCRIPTION

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**EXHIBIT A**

**Legal Description of Land**

Parcel 6 in the City of Indian Wells, County of Riverside, State of California, as shown on Parcel Map No. 28833 recorded in Book 195, Pages 10 through 15, of Parcel Maps, Records of Riverside County, California.